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ABSTRACT

This guide is designed to help employers plan work force reductions. It emphasizes positive collaboration with workers and the community to find new jobs for workers and maintain morale and productivity in the plant. The guide is divided into five chapters. The first chapter acquaints the reader with some of the benefits of work force reduction planning, while the second chapter presents the latest techniques in that process. It includes two sections: (1) general principles of work force reduction planning, which outlines the overall approach recommended in this guide, and (2) 17 key steps that companies must take to implement the recommended approach. The third chapter outlines key administrative and management issues related to operating an assistance center for employees being terminated. Five main topics are discussed: overview of center operations, sequencing and coordinating services, center staffing, center bookkeeping and recordkeeping, and project evaluation. The fourth chapter provides more in-depth information on center services, outlines the special needs of terminated employees, and describes services that improve the chances of a successful adjustment. Community and government resources--specifically the Job Training Partnership Act--that can lower employers' costs of assisting terminated employees are discussed in the final chapter. Appendixes provide detailed information on designing and administering an employee questionnaire, on developing a services brochure for employees, and on the Title III Dislocated Worker Program of the Job Training Partnership Act. (KC)

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PLANNING FOR WORKFORCE REDUCTIONS:

A TECHNICAL ASSISTANCE GUIDE FOR EMPLOYERS

The National Alliance of Business

APRIL, 1984

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ACKNOWLEDGEMENTS

This guide represents the experience of many individuals and organizations who have attempted to provide the most effective and efficient assistance to workers who have lost their jobs as a result of a plant shutdown or layoff. It is a synthesis of the practices which worked best both from the perspective of management and the individuals who received the assistance. We gratefully acknowledge the assistance of Kevin Balfe for the preparation and development of this guide, Amy K. Glasmeier and Crocker Bank for their contributions to portions of the appendices, and Karen Courtney for her assistance in the production of this guide.

Ruth H. Fedrau
Project Director

Preface

Planning workforce reductions is among the most important, difficult and unique challenges corporate executives now face. The way management responds to this challenge directly affects productivity, each employee's livelihood, and the company's relationship with the surrounding community. Fortunately, new and effective approaches to planning workforce reductions have been developed in response to changing economic conditions, and an increasing amount of government and community resources are available to support company initiatives. Particularly helpful is the new Title III Dislocated Worker Program funded under the Job Training Partnership Act of 1982, which can fund companies, unions and community agencies to operate worker assistance programs.

Tnis technical assistance guide is one of many ways in which the National Alliance of Business is helping companies plan programs that will assist employees and maintain productivity during the workforce reduction process. It is designed to provide the reader with a clearly presented overview of the workforce reduction planning process and will serve as a useful reference tool. The guide complements related technical assistance programs sponsored by the Alliance which include direct technical consulting services to help companies plan workforce reductions and access resources (including JTPA Title III funds), company briefings on JTPA Title III programs and employee assistance options, national and regional conferences on issues related to worker displacement, case study materials on successful employee adjustment programs, and technical assistance guidebooks and studies on related topics. For more information on National Alliance of Business services related to worker adjustment issues, contact Ruth Fedrau, Director of the Alliance's Business Consulting Service at (202)-289-2900. For information on Alliance publications, contact the Information Clearinghouse at (202)-289-2910.

William H. Kolberg
President
National Alliance of Business

Workforce reductions are now commonplace as companies take radical steps to remain competitive in a fast changing world economy. The changes -- including automation, consolidation of facilities, and liquidation of unprofitable lines -- are inevitable. But the crisis that terminations can create for workers and the company is not inevitable. Much has been learned about how to plan for workforce reductions -- how to reduce unnecessary costs and disruption created by terminations -- how to guide employees through the transition to a new job. Companies can work with their employees and the community to plan a reduction in force smoothly and responsibly.

Objectives

This guidebook is designed to help employers plan workforce reductions. It emphasizes positive collaboration with workers and the community to find new jobs for workers and maintain morale and productivity in the plant. The guidebook can be used in different ways. If read cover to cover, it will give a step-by-step explanation of a cost-effective, planned approach to workforce reductions. It can also serve as a reference tool for information on particular aspects of workforce reduction planning and implementation. In general, the descriptions, charts and lists of questions can be used to help the reader think through the key issues related to workforce reduction planning.

Organization

This Guidebook is divided into five chapters:

Chapter 1: Benefits of Workforce Reduction Planning

Chapter 2: What the Employer Can Do

Chapter 3: Assistance Center Operations

Chapter 4: Services for Employees

Chapter 5: Accessing Resources

Appendices provide detailed information on designing and administering an employee questionnaire, on developing a services brochure for employees, and on the Title III Dislocated Worker Program of the Job Training Partnership Act which can fund companies and communities to assist terminated employees.

CHAPTER 1
BENEFITS OF PLANNING

This chapter acquaints the reader with some of the benefits of workforce reduction planning. The key message is that it is in the mutual interest of companies, unions, workers, and the community to pool resources and work cooperatively to 1) carefully plan the various steps involved in workforce reductions, and 2) implement a temporary but intensive program of transition assistance to employees being terminated. Important benefits include:

New Jobs for Employees: Worker transition programs in the United States and abroad show remarkably positive results in less than a year. Even in depressed areas well-planned programs have placed up to 70 percent of the assisted workers within months.

Productivity and Morale: Experience shows that high absenteeism and declines in productivity can be avoided when the company and workers participate cooperatively in a transition assistance program. Additional productivity gains can be realized because the company's treatment of terminated employees can have a direct bearing on the morale and productivity of the remaining workforce. And maintaining productivity means saving money.

Improved Company Image and Community Relations: The drama of major layoffs and plant closings always attracts attention. While such attention naturally focuses on the negative aspects of terminations, an aggressive worker assistance effort spearheaded by the firm can inspire hope and help mobilize the community toward assisting, not criticizing, the firm. The resulting program can help enhance a corporation's national image as a model corporate citizen.

Unemployment Insurance Cost Savings: Each week a terminated employee remains on Unemployment Insurance (UI) can cost the firm $100 or more in UI taxes. A well planned assistance program can significantly reduce the number of weeks that employees remain on UI and save the firm considerable sums of money. Where health and other benefits are continued for extended periods after termination, the cost savings will be even greater.

Positive Labor-Management Relations: Companies can reduce labor-management tensions that accompany workforce reductions by working together with unions in a positive way to solve problems. Assistance programs can be particularly valuable when the affected union plays a specific role and can take explicit actions to help their members.

Improved Communications With Workers and the Community: The disruptive effects of misunderstandings and rumors can be reduced by careful planning which includes a structured, organized way of communicating about company plans, assistance efforts and benefit packages.

More Effective Use of Benefits: Companies frequently offer generous severance benefit packages and collective bargaining agreements often provide retraining, early retirement and other benefits for terminated employees. An assistance center can provide a framework for administering these benefits in a cost-effective way. This is especially true where special management-labor funding pools have been created for retraining or other adjustment services. The center approach can also help employees to make better use of their benefits. Retraining benefits, for example, can produce far greater results when workers are given the encouragement and vocational guidance to make informed decisions.

Positive Community Impact: Communities benefit when terminated workers find new jobs and, therefore, continue to support the local economy. Furthermore, social and economic benefits are realized when the resources of companies, unions, volunteer organizations, and government programs are pooled to buffer the impact of termination on workers and their families.

In addition to the benefits outlined above, it is worth noting that careful workforce reduction planning and employee transition programs are not expensive. A cost of several hundred dollars per worker is typical. And cost savings cited above in productivity, unemployment insurance taxes and other benefits can more than offset the program cost.

Also, a new federal program -- the Title III Dislocated Worker Program of the Job Training Partnership Act -- funds states to support local worker transition programs. Title III can pay for employee retraining, job placement, couseling, testing and assessment, relocation assistance, and other services. A well organized program with company and union involvement stands an excellent chance of receiving such funding.

CHAPTER 2
WHAT THE EMPLOYER CAN DO

This chapter acquaints the reader with the state-of-the-art in workforce reduction planning. It includes two sections: 1) general principles of workforce reduction planning, which outlines the overall approach recommended in this guidebook; and 2) 17 key steps in workforce reduction planning, which outlines a sequence of actions that companies must take to implement the recommended approach.

In general, the recommended approach emphasizes the importance of some pre-notification of a major reduction in force or plant closing, ongoing communication with employees, and joint action with the affected union(s) or employee representatives and the community to implement a temporary but intensive program of re-employment services.

A. GENERAL PRINCIPLES

The approach outlined here takes into consideration the special circumstances surrounding a closure or major reduction in force and the special needs of those to be terminated. Recommendations are based on the National Alliance of Business' experience in designing such programs with companies and unions.

PRINCIPLE #1: EARLY NOTIFICATION

Advance notice and timely intervention makes a major difference in smoothing the adjustment for employees and allows an organized reduction in force to take place. When early notification is combined with the announcement of an on-site comprehensive assistance program, employees have an incentive to stay at the plant and continue working while they prepare for the transition. In fact, productivity at the plant frequently increases after notification. Early notification provides time to plan and schedule an assistance program that is effective and does not conflict with the company's production needs. Moreover, employees are given a chance to adjust, to plan a new career and make financial adjustments before they are out on their own. And upon termination, the transition to a new job often can be made quickly, thus avoiding the income losses and the loss of self-respect that can accompany job loss and inactivity. This often can help avoid unnecessary unemployment insurance taxes and other benefit payments that accompany long term unemployment. In general, management and labor can play a more organized, active and supportive role when employees are still at the plant and when the plant itself is still in operation.

PRINCIPLE #2: PLANNED, ONGOING COMMUNICATION

False rumors can be a potent barrier to cooperation and, ultimately, to employee efforts to find new jobs. An equally difficult problem is the natural reluctance of workers to genuinely believe that they are being terminated -- forever. A planned program of straightforward, ongoing communication with employees and union representatives can overcome these problems. Promotion of assistance efforts can also assure that employees take full advantage of the services to be offered.

PRINCIPLE #3: TEMPORARY BUT INTENSIVE SERVICES

Assistance to terminated employees is most effective when company, union and community resources are coordinated in a temporary but intensive program. Ideally, assistance should begin before terminations occur and should continue for several months after the final phase-out.

PRINCIPLE #4: ASSISTANCE CENTER ON-SITE

All services should be provided (or coordinated) through a central location. Known as an employee assistance center, it should be well-publicized and located preferably at the plant site. Ample space, plenty of free parking and flexible operating hours are important. The worker assistance center serves as the anchor or focal point for contact with workers. It should be accepted by workers as their place, and should operate over a finite period of time -- preferably before, during, and after the layoffs, and three months to a year after the final phase-out. The center gives the affected workers a familiar and supportive atmosphere in which to conduct their job search with their peers. This reduces the sense of isolation which often accompanies job loss and helps maintain contact between each employee and the program. In general, the center creates a vehicle for providing staff counseling and a wide range of adjustment services to employees.

The role of the assistance center can vary: sometimes the center will house all available services on-site and operate as a self-contained, comprehensive employment program. In other cases the center will operate as a referral and coordination vehicle with most services contracted out to local agencies. In both cases, the role of the center is to coordinate services for employees, keep track of each individual's progress, and serve as a central place where counseling and assistance can be obtained. Many employee assistance centers strike a compromise between being a full-service program and a coordinative one.

The approach taken will depend on the local situation. Factors such as the existence of other dislocated worker programs, the number of workers being terminated at the plant and elsewhere in the community, and the availability of local assistance should determine the level of services at the center.

PRINCIPLE #5: POOLED RESOURCES

Unions, community organizations and government programs can be instrumental in providing access to resources, expertise, and services to support the effort. Most communities will respond enthusiastically to help laid off workers. Many successful programs have created ad hoc community advisory committees or task forces designed to strengthen the link with local schools, business organizations, community leaders, private industry councils* and others. Also, Title III of the Job Training Partnership Act provides funds for companies, unions and communities to pay for services to dislocated workers.

*

Private industry councils (PICs)are local business led public/private organizations that plan and oversee area employment and training programs for disadvantaged and unemployed individuals. PICs are funded by the Job Training Partnership Act, enacted in 1982.

PRINCIPLE #6: COMPREHENSIVE SERVICES

No single approach can help all affected employees. Retraining, for example, may be required for many but in some programs retraining was necessary for less than 25 percent of the terminated workers. Therefore, a wide range of services should be available to workers either at the center or via referral to other service providers. Services should include:

- o "Self-help" Job Search Assistance (e.g. job search workshops, job clubs)
- o Testing and Skills Assessment
- o Career Counseling
- o Personal and Financial Counseling
- o Job Development and Employer Outreach (identifying job openings suitable for terminated employees)
- o Job Placement Assistance
- o Occupational Retraining and Basic Education
- o Emergency Referral and Support Services Including Emergency Health Care

These services are explained in detail in Chapter 4 of this Guide.

PRINCIPLE #7: JOINT MANAGEMENT-LABOR SPONSORSHIP OF ASSISTANCE

Where there is a collective bargaining agreement, unions can play a major role in assisting in the worker readjustment process. Within the context of the company-union planning structure, they can help by communicating with, counseling and providing help to their members. In most cases, employee acceptance of an assistance program can be increased greatly by formalizing a joint management-labor decision making structure to oversee the program. A small committee composed of an equal number of representatives from management and labor can be established for this purpose.

B. 17 KEY STEPS TO PLAN THE WORKFORCE REDUCTION

This section outlines a series of 17 key steps in the workforce reduction planning process. Though the steps are presented roughly in sequential order, in actual practice many of the steps will overlap and, depending on circumstances, the sequence may differ somewhat from that presented here. Chart 1 outlines a general time frame for implementation of these steps under normal circumstances.

STEP 1: PROVIDE NOTIFICATION

The importance of advance notification to workforce reduction planning has been stressed in earlier sections. Without several months notification, advance planning is very difficult -- and a positive management-labor approach to problem solving is less likely. Furthermore, productivity analyses across a number of manufacturing companies suggest that plant productivity increases, rather that decreases, after notification of a plant closing or major terminations. The time interval for notification will differ from one situation to another. Business circumstances can change abruptly, corporate level versus plant level considerations can create uncertainty regarding production decisions. But the purpose of early notification will be the same in each case: to allow time for planning and scheduling the phase-out and to give employees time to adjust to a new and difficult situation. Effective planning generally takes several months and additional time can be valuable for obtaining resources and dealing with contingencies.

A common dilemma managers face is that exact termination dates and other details frequently are not known far in advance even when a basic decision about cutting back production has been made. In these situations, it is generally better to give a reasonable amount of advance notice than to wait until all details are settled. It is best to provide as much factual information as possible about the overall situation and keep lines of communication open so employees are assured that they have the most current information available about their future.

STEP 2: FORM A MANAGEMENT-LABOR STEERING COMMITTEE

A key step in planning the worker assistance approach is to convene a meeting of key management personnel, union officials (or employee representatives where there is no union). Generally, the plant manager and the employee relations or personnel manager from the company should be present. Start the meeting by discussing the affected employees needs for re-employment and training assistance. Normally, this will involve some venting of frustrations, but eventually the meeting should surface genuine needs and fears shared by employees. This discussion should provide the basis for developing an outline of services to be included in the proposed program. At this point it is sometimes helpful to have an individual, not a part of the company or union, outline approaches used by other companies and unions in similar situations and to describe how a program could work in this instance.

In general, an open discussion of this kind is preferable to presenting a program to employee respresentatives as a "fait accompli" -- employees are given a sense of ownership in the program that is essential to overcoming a pessimistic tone and adopting a positive, problem solving team approach.

The initial meeting is often the most opportune time to establish a joint management-labor decision making steering committee to oversee employee assistance efforts. This steering committee should be responsible for the entire employee assistance effort. Initially this will involve planning the program, then seeking resources and funding assistance. Upon implementation, the steering committee should have direct oversight responsibility to the staff operating the program. A brief list of some of the committee's initial responsibilities follows:

- Arranging a site for the assistance center
- Deciding what services will be provided
- Deciding who will deliver services (e.g. center staff or agencies on contract)
- Deciding how the center will be staffed
- Developing a program budget and acquiring resources
- Monitoring and overseeing program operations
- Establishing a working relationship with local agencies and community leaders who could assist the project

STEP 3: SKETCH BLUEPRINT FOR EMPLOYEE ASSISTANCE PROGRAM

Based on the preliminary meeting, some broad outlines for the program can be established. Priorities should emerge regarding the importance of personal, educational career counseling, testing and assessment, retraining, job search instruction, job clubs, job placement assistance, relocation assistance, remedial education, job development-employer outreach and other services.

A location with suitable space should be considered for the assistance center. Ideally, the center should be located at the plant site and include a reception area, two classroom-sized rooms and several private offices for counseling and interviewing. Space requirements will depend on the number of persons being served at one time. Equipment requirements include desks, a bank of telephones, typewriters or word processors, large bulletin boards, file cabinets, a copy machine, general office supplies, bookshelves, flip charts, and area maps showing commuting distances, schools, and other important locations.

STEP 4: ESTABLISH A FORMAL COMMUNICATION PROCESS

The joint management-labor steering committee is an ideal vehicle for establishing a formal and credible communications link with everyone at the plant and with the community at large. Formal communications with employees can begin with an announcement that a management-labor committee has been formed and that planning for a jointly sponsored employee assistance program is underway. Committee members should encourage suggestions from all employees. It may be possible to combine this communication with the distribution of the employee questionnaire described below. Once the initial announcement has been made, plans for regular communications and status reports via meetings, newsletters and other means should be established to assure continuity.

Plan every aspect of the program to maximize communication with employees and to encourage employee participation. Over a period of a few weeks, rumors must be dispelled and employees must become comfortable with the program and knowledgeable of its services. Continuous promotion and explanation of the center, therefore, should be built into the early phases of planning and implementation. Unions can play a special role here. They often have the trust and personal knowledge of employees as well as the organizational capacity to mobilize an outreach and communications effort. Outreach to individuals should continue during center operations to keep individuals advised of workshops, new services and identified job opportunities.

STEP 5: CANVASS AVAILABLE RESOURCES AND SERVICES

Before planning proceeds too far, it is important for the management-labor committee to assemble information on resources and services available from the company, the union, and those offered through the collective bargaining agreement, community volunteer agencies, and government programs. Begin with cash and in-kind contributions that can be made by the company and union. Staff time, office furniture/equipment and office space are common in-kind items. Cash contributions are sometimes possible because collective bargaining agreements now frequently include retraining benefits and special funds to assist terminated workers.

The next step is to canvass community and government services and resources. This information can be helpful in several ways: a) Some of the community services may become an integral part of the program. Information about local vocational schools and community colleges is essential, for example, before designing any occupational retraining programs for workers. b) Frequently, free services or in-kind contributions can be obtained from community or government agencies. These might include testing, counseling, tutoring, office space, etc. c) Employees should be made aware of all available services in the community including social and medical services. Important places to start include the following:

- The United Way, churches and other community service groups can often be very helpful in arranging free or low cost social, health and counseling services for workers.

- The local private industry council can provide information on local employment and training programs and on the availability of Title III Dislocated Worker retraining grants. (Title III grants are explained in Chapter 5 of this Guidebook.)

- The local employment service can help with job placement and offers testing and assessment services, frequently free of charge.

- Vocational schools and community colleges not only offer a wide range of technical training courses but frequently house career and vocational counseling services that can be made available to workers. Often, universities can help design and implement surveys, labor market analyses and other research efforts.

- State Job Training Partnership Act Title III Dislocated Workers Program. Described in Chapter 5, Title III programs can provide financial support for worker assistance activities. Contact either the local private industry council or the governor's office for information.

- The assistance center should have current information on the full range of government and other services available for individuals and families in need. Sometimes, special service arrangements can be made for the affected employees.

- State, district and local labor agencies often have established services for displaced workers such as food banks, stress counseling and social services referrals.

- Economic development agencies often have the most up-to-date information about local business trends and areas of economic expansion. Economic development information can help greatly in identifying job opportunities.

- Area business and labor organizations have networks of contacts that, if organized, can play an important role in identifying job openings that are never advertised in newspapers.

- A good public relations effort can help stimulate a community volunteer response to assist the affected workforce. Good contact with local press and other media can provide the greatest exposure at the least cost.

STEP 6: ASSEMBLE INFORMATION ON EMPLOYEES

A key planning step is to administer an employee survey or questionnaire. The survey accomplishes three objectives: 1) to obtain information for planning services to employees; 2) to encourage employees to begin thinking about their plans after termination; and 3) to provide an additional opportunity for the management-labor steering committee to promote and explain the forthcoming program. The survey can be administered at the plant during the work day, as part of a general orientation session or in conjunction with employee benefits counseling that may take place before the assistance center is opened. Mailing the survey is discouraged because it fewer individuals are likely to respond. The survey should be administered shortly after the steering committee is formed so that results can be used for planning. Keep the survey short and concise. Workers are unlikely to completely fill out a survey that takes longer than 15 minutes.

Accompanying the survey should be a brief cover memo explaining that a management-labor steering committee has been formed, that planning for adjustment services has begun, and that the purpose of the survey is to help the committee plan those services. Employees should be assured that data will be kept confidential and is being collected only to help them to make a quick transition to another job. Appendix A contains a sample employee survey form and outlines guidelines for administering the survey.

The company will also generally have information about the affected workforce that can be useful for center planning. Examples include:

- Number of potential retirees
- ZIP codes of employee residences (to help match employees to jobs and retraining programs within their commuting area).
- Demographic make-up of the workforce as a whole
- Education levels of employees
- Length of employment at the plant
- Occupations and a description of skills

STEP 8: CANVASS THE AREA LABOR MARKET

A canvass of area labor market conditions is critical to developing training and job placement programs. It means an outreach effort to area economic development agencies, employment and training programs, business organizations and others to identify market trends and opportunities. Generally, there are three or four starting places to get such data:

- The area employment service office
- The local private industry council
- Local and state economic development agencies
- Local business organizations

Banks, unions, schools, and area business and civic leaders are also good sources of information on the area economy. Information should be collected not only on the area within commuting distance of the plant but for important labor markets that lie within 50 to 100 miles of the plant. ZIP codes of employee residences can then be linked with job opportunities within commuting distance. This process also begins to inform local employers that a pool of workers with definable skills is available.

STEP 9: ESTIMATE PHASE-OUT SCHEDULE

Recognizing that pinning down a phase-out schedule is difficult because of unpredictable production demands, it is nevertheless important to identify, as early as possible: a) the schedule, or expected schedule, for terminations, and b) the schedule for any employee transfers which may be planned. Also, if it is a plant closing situation (or if certain divisions within the plant are closing), determine whether employees laid off prior to the plant closure announcement will be eligible for center assistance. These statistics are needed to estimate the number of individuals the center will serve and, consequently, the center's overall staffing and budget levels.

STEP 10: DEVELOP ASSISTANCE CENTER PLAN AND FUNDING PROPOSALS

Development of a complete program plan can begin once a governance structure is in place, priorities are clear and preliminary information has been assembled. The plan should not be a paper exercise designed to generate unnecessary work. It should provide a basis for agreement about the specifics of the program, i.e., it should outline the program's governance structure, center staffing needs, services to be provided, location and physical facilities, a timetable for center operations, a management system for the center, a budget and expected funding sources. A first draft need not be thought of as cast in concrete; it is simply a discussion document. As the program progresses, though, the plan becomes written documentation of how the center will operate.

Once a general plan for center operations becomes clear, funding proposals for state Dislocated Worker Title III Grants and other funds can be developed. See Chapter 5 for more information on funding sources and proposal development.

STEP 11: DEVELOP SERVICES BROCHURE

The steering committee should arrange to develop a brochure listing all services provided by the assistance center and by all other community agencies. This provides valuable information to employees and also relieves the workload on referral staff at the assistance center. Categories of assistance that should be listed include all center services, area schools, social services, health clinics, and community volunteer agencies. Information on how to develop a services brochure is found in Appendix B.

STEP 12: CONVENE AN AD HOC COMMUNITY ADVISORY COMMITTEE

Often, a good approach to getting resources and gaining community support is to bring together a group of key community representatives -- a group that does not have ultimate governing authority for the center but that serves as a link with community services. Frequent meetings are not necessary: Meeting once or twice during the life of the center and informal contact in between meetings is probably sufficient. Representatives could include local elected officials, the chair or director of the local private industry council, a local employment service representative, and representatives of local community colleges and vocational schools, business organizations, media, banks, social service agencies, and area labor organizations. When setting up an advisory group keep in mind that dislocated worker agencies, programs, or task forces may already exist in the area. When they do, they frequently can help to coordinate services and community resources. Sometimes, in fact, the plant-based worker assistance center can function as an adjunct to a larger program.

STEP 13: APPOINT CENTER STAFF AND SELECT SERVICE CONTRACTORS

Center staff should be appointed by the joint management-labor steering committee. A project manager should be on board as soon as possible, preferably no later than one month before the center opens. The committee will need this staff support for in-depth planning, budgeting and developing funding proposals, etc. Sometimes, a project manager is needed before outside grant funding, such as Title III funds, can be secured. Companies may handle this situation in a variety of ways. Staff can be loaned from the company and/or union, preliminary commitments can be obtained from state or local agencies for retroactive funding, or the company might simply pay a manager's salary for the limited period of time that funding is unavailable. Other staff, such as counselors or workshop instructors, can be appointed and trained as needed and as funding becomes available.

Service contractors should be identified and hired far enough in advance so proper coordination with center staff and other contractors can take place. Negotiate with several agencies when possible to obtain the most cost-effective contracts. Performance-based contracts -- that relate payments in some measure to results -- should be used when it is practical to do so.

STEP 14: PLAN CENTER ORIENTATION AND ENROLLMENT PROCEDURES

A formal orientation session outlining the center's program should be sponsored by the steering committee once plans are concrete. Key service providers should be present at the orientation to explain the details of assistance to be provided at the center. Clear explanations must be given regarding the timing and sequence of center services so that employees are not confused by the variety of activities. The employee services brochure should be distributed at the orientation if it has not been distributed widely already.

The steering committee must also plan for enrollment and preliminary assessment procedures. This means making decisions about how to schedule and coordinate enrollment, individual counseling, group counseling, formal testing and assessment, job search workshops and referral services. These issues are examined further in Chapter 3.

STEP 15: PLAN RETRAINING AND JOB PLACEMENT SERVICES

Based on information assembled about employees skills, the area labor market and available resources, the steering committee and center staff should begin planning specific retraining programs and strategies for identifying job opportunities and matching them with individuals. More information about planning for these services can be found in Chapter 4.

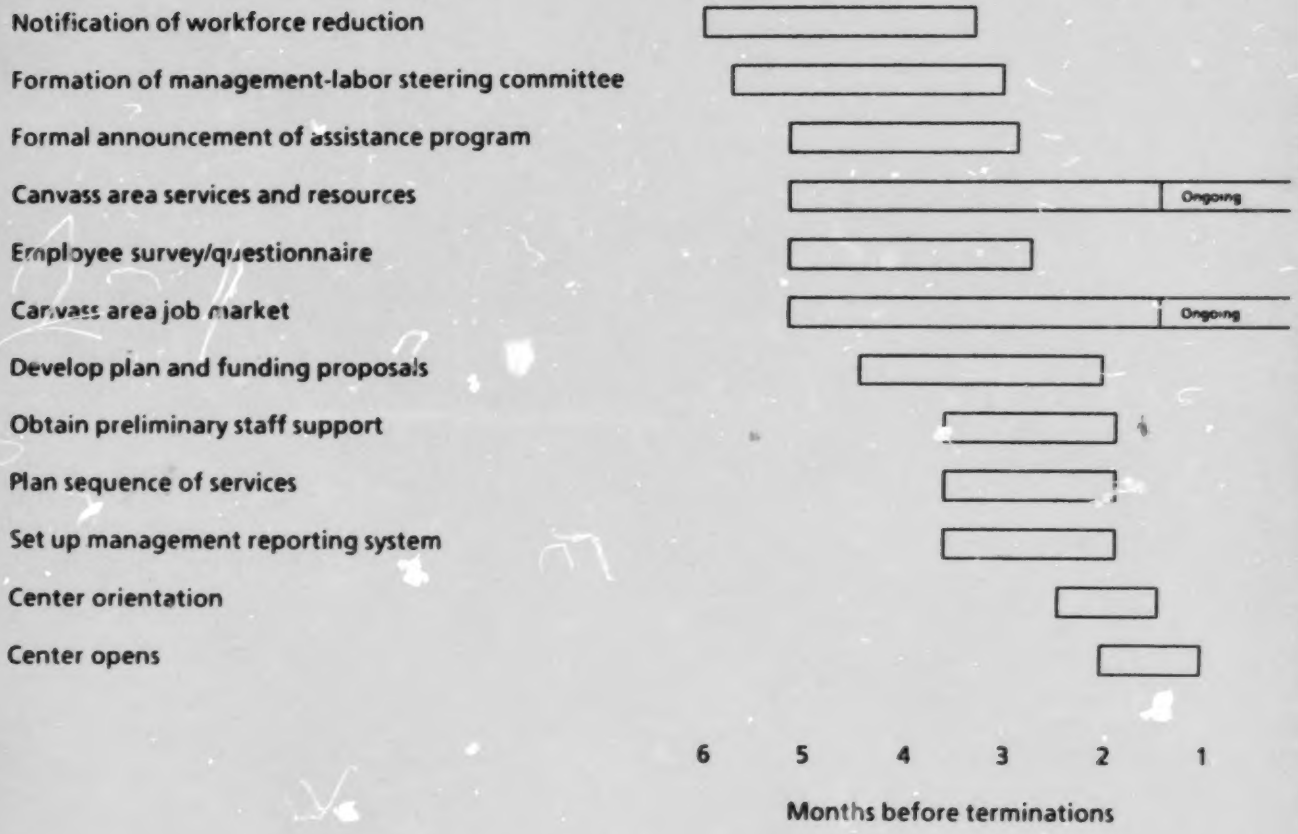
STEP 16: SET UP RECORDKEEPING AND MANAGEMENT SYSTEMS

Center recordkeeping and management systems are crucial to program success. Staff must keep organized files on each individual for counseling and referral purposes. A client tracking system should be established -- a system for staff to periodically contact each individual to check on progress in retraining or job search. Financial and program records must be maintained that will satisfy requirements associated with grant funds. Sometimes, records management can be handled by local employment and training agencies such as a private industry council. More detailed information on management systems can be found in Chapter 3.

STEP 17: OPEN THE ASSISTANCE CENTER

Ideally, the assistance center should open a couple of months before employee terminations begin. The timing of the opening should be judged carefully -- if the center opens too soon, employees may receive services before they are ready to be serious about re-employment; if the center opens too late, excellent opportunities for an early start on readjustment may be lost. Timing will depend also on whether all terminations occur at once or gradually over time. If hundreds of terminations occurr simultaneously, time must be built in for scheduling small group classes and other center activities.

CHART 1: PLANNING TIMELINES



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CHAPTER 3
CENTER OPERATIONS

Chapter 3 Center Operations

This chapter outlines key administrative and management issues related to operating an assistance center for employees being terminated. It contains five main sections: 1) overview of center operations; 2) sequencing and coordinating services; 3) center staffing; 4) center bookkeeping and recordkeeping; and 5) project evaluation. The common theme in these four sections is that positive results and cost-effectiveness depend on a properly designed flow of services, carefully selected staff, attention to detail, and a strong oversight role by the management-labor steering committee.

A. OVERVIEW OF CENTER OPERATIONS

Ideally, the employee assistance center is a temporary but intensive program, located at the plant, offering a wide range of re-employment and support services to help employees adjust before and after their termination. Center operations divide into three overall phases: 1) the planning phase; 2) the implementation phase, during which most center services are provided; and 3) a close out phase, in which follow up services are arranged with community agencies for individuals who are still unemployed, and in which administrative and financial details are finalized. Time frames for each of these phases will differ from one situation to another but, in general, planning should begin several months before terminations begin; implementation should begin several weeks before terminations begin; and the center should not close until three or four months after the final terminations. A phase-out period of two to three weeks is generally sufficient. Chart 2 outlines general time frames for phases of center operation.

In some respects, an assistance center is like a shopping center: success depends on attracting as many persons as possible. So as in retailing, a central location and a wide variety of services are key -- also, free parking, good security, convenient hours, a pleasant atmosphere and staff who work well with people.

Planning an employee assistance center calls for an awareness of other efforts in the area to assist dislocated workers. All 50 states now have dislocated worker programs funded by Title III of the Job Training Partnership Act. These funds can help pay for services at the center but they can also pay for services provided by another agency such as a community college. Coordination of services is necessary when a major assistance center is already planned or is operating at a nearby location. For this reason, assistance centers can be based on different models. A comprehensive center is a self-standing unit in which most services are delivered on-site (although some services, such as retraining, will take place at area schools and other agencies). A counseling and referral center works as an adjunct to other programs for dislocated workers. Its function is to plan and coordinate services for employees, keep track of employee progress, and provide a central place where employees can come for counseling when difficulties arise. Some centers strike a compromise between these two models by working closely with other programs but maintaining some degree of centrality for service delivery.

B. SEQUENCING AND COORDINATING SERVICES

To be cost effective, services at the assistance center must be matched to meet the needs of each worker. This requires a careful sequence of worker orientation, assessment and instruction. Intensive occupational retraining, for example, is not necessary for many individuals and, therefore, should be preceded by careful evaluation and counseling.

The following sequence of services is recommended for most assistance centers. It features considerable individual attention to each worker, which is ideal for assessing individual needs, providing guidance and lending moral support. This approach is feasible when the reduction in force is scheduled as a gradual phase-down, allowing the workload to be spread over a long period. When hundreds of terminations occur at one time, however, a great deal of individual attention may be impossible to schedule. Alternate approaches, therefore, are suggested. Chart 3 outlines a recommended flow of services for center clients.

1. EARLY SERVICES

Some tasks are best handled shortly after an announcement of workforce reductions is made; before it is possible to plan, staff and open a complete assistance center. A few of these have been mentioned in Chapter 2. An employee questionnaire and a canvass of area business trends and employment opportunities, for example, are important early steps. Ongoing communication and promotion of the center is also critical during the period before the center opens. Other important tasks include:

- Employee Benefits Counseling: Modern severance and termination benefit packages are often quite generous -- and complicated. A careful explanation of benefits, including employee options such as early retirement packages, is important shortly after workforce reductions are announced. A review session or individual benefits counseling after the center opens is also highly recommended since many workers will not grasp all of the details or understand all of the implications the first time.

- Orientation Session: As outlined earlier, the management-labor steering committee should sponsor a general meeting for all employees designed to provide an overview of the assistance center. The center's purpose and its services should be explained. Key service providers should be present at the orientation to explain the details of the assistance program.

- o Stress Workshops: The effectiveness of re-employment services can be increased significantly when stress counseling services are provided after the notice of workforce reductions. Employees often need to deal with their frustrations openly before they can adopt a positive attitude toward transition. Employers have found that a second set of workshops shortly before or after terminations occur can also be an important contributor to worker morale and effective job search.

- o Educational Counseling and Information: Some employees may want to begin retraining during their off hours even before the termination. Information dissemination and educational counseling can help such individuals make informed decisions about available training opportunities. "Education Fairs" in which area schools present information, and free or low cost counseling services from community colleges and vocational schools are often possible at this stage.

2. SERVICES AFTER THE CENTER OPENS

Upon enrolling at the center, each individual must be assessed, given general instruction about the job market (and how to operate effectively in the job market), and referred to appropriate services. The following sequence of tasks and services is recommended as an organized and efficient way of accomplishing these objectives. (More detailed information about center services is found in Chapter 4.)

Activity 1 -- Enrollment: At the outset, each individual must be enrolled in the center. A systematic procedure for enrollment serves the following purposes for the center and for the individual:

- o Explanation of the Center: By now, workers generally should be aware of the center via orientation sessions, the employee questionnaire, newsletters, management-labor steering committee communications and other publicity. This kind of program, however, will still be unfamiliar to most individuals; a careful explanation at enrollment is important so workers have a clear understanding of the center's purpose and approach.

- o Explanation of the Self-Help Nature of the Program: Individuals must be seriously committed to the goal of finding a new job. Staff should explain that the center will play a supportive role in job search, but that finding a job requires hard work and dedication on the part of the individual.

- Certification of Eligibility: When state Title III Dislocated Worker funds pay for center services, a certification procedure must be completed to document each individual's eligibility for the government assistance. Certification procedures should comply with state legal requirements. State or local agency staff can provide technical help on the employee certification process.

- Emergency Referrals: Sometimes individuals entering the center have serious personal or health matters to deal with before they can concentrate on job search. Referrals to area social service and health agencies or center support services are appropriate for these individuals at enrollment.

- Initial Counseling: While intensive counseling and guidance should be reserved for later on, the enrollment session can answer basic questions and provide workers with some initial counseling and orientation on career options and the labor market.

Ideally, an individual enrollment session should be conducted for each worker. This is the first contact with the center; workers at this point can benefit greatly from individual attention and moral support, making them feel like they count as individuals; workers will discuss their situation more openly and ask questions that they might not in a group setting; and a basic understanding of the center can be conveyed more effectively on a one-on-one basis. Where hundreds or thousands of workers must be enrolled in a short time, however, a practical approach is to schedule the enrollment session for small groups of four to six workers. Part of the process also can be accomplished in job search workshops. This approach allows for relatively personalized counseling and can solve the scheduling problem.

Activity 2 -- Job Search Workshops: For most individuals, the logical step immediately following enrollment is to enter a job search workshop. Several days or a week of job search instruction can provide a general overview of the labor market, job search techniques and available re-employment services. The job search workshop should have two specific objectives: a) to impart job search skills, such as resume preparation and interviewing techniques; and b) to assist each worker in the development of an individual re-employment plan. This plan should outline individual skills and abilities, career directions, required services (such as retraining or skill testing), and a job search strategy. The plan also provides a written document in the center files that can guide center counselors for employee tracking and referral to services. In general, when workshops are structured effectively, they are not only beneficial for nearly every worker but they save center staff an enormous amount of time on individual counseling that would otherwise be needed. (Persons requiring emergency health or social services might defer attendance at the workshops until later.)

Activity 3 -- Individual Career Counseling: Job search workshops lay a solid foundation for each person's job search strategy. So after the workshops, many individuals can proceed directly to a job club and begin job hunting. But in some cases, individuals will need further help with defining their skills, narrowing their career options, or simply bolstering their confidence to the point where they can take a positive attitude about searching for a job. Other individuals will want basic education or occupational retraining to prepare for the labor market. These persons need follow-up career counseling on an individualized basis. Counselors can help refine their re-employment plan and refer then to appropriate services such as retraining, GED instruction, and skills testing.

Activity 4 -- Testing and Assessment: Counselors use aptitude, skills and interest tests as tools to supplement less formal counseling and assessment methods. When a person's abilities, acquired skills, or interests are not clear after the job search workshop and some individual counseling, formal testing is frequently the next step in the re-employment planning process.

Activity 5 -- Education and Retraining: After a worker has attended a job search workshop, received individual career counseling, and perhaps been tested for skills and interests, he or she is well prepared to make an informed decision regarding education and retraining. If the decision is to go ahead with education or retraining, this is the time to start. If the decision is to forgo the training, the individual should immediately be placed in a job club.

Activity 6 -- Job Clubs: When it is determined that an individual is ready to begin job hunting, the individual should be placed into a job club. Job clubs are groups of workers who meet and support each other during their job search. A structured job search schedule, peer support, clerical support (e.g. for resumes), resources and facilities (such as newspapers and phone banks), and occasional group counseling contribute to the success of this self-help approach.

3. ONGOING SYSTEMS

Success at job placement and retraining requires systems to regularly keep in touch with workers, with job opportunities, and with educational institutions. Methods for accomplishing this include:

- Client Tracking and Referral System: Center staff should contact each individual periodically (every 30 days) to track progress in job search or retraining. This is the most effective way to identify and help those individuals who have become discouraged or are otherwise experiencing difficulty.

- Job Development and Placement System: Center staff should use employer contacts and communicate information about job openings to workers on a continual basis. When possible, staff should help to match job openings with the particular skills of individuals. See Chapter 4 for more information on job development and placement services.

- Planning for Retraining: As center counselors gather information about worker skills, interests, and training needs, staff should work with schools to develop targeted retraining courses for groups of workers with similar requirements. More information on education and retraining services is found in Chapter 4.

4. CENTER PHASE-OUT

Several months after the final terminations, all employees will have been introduced to center services. Some, however, still will be in the process of retraining and others will be job hunting. While it is not cost-effective to keep the center open after most employees have been assisted, arrangements must be made with local agencies to provide follow up counseling and job search services. Social service agencies, education institutions -- especially educational counselors, and the employment service should be made fully aware of the individuals requiring follow up services. Phase-out also entails closing out financial and program records for auditing purposes, and disposing of any surplus equipment or materials the center may have purchased.

CHART 2: FLOW OF CENTER RE-EMPLOYMENT SERVICES

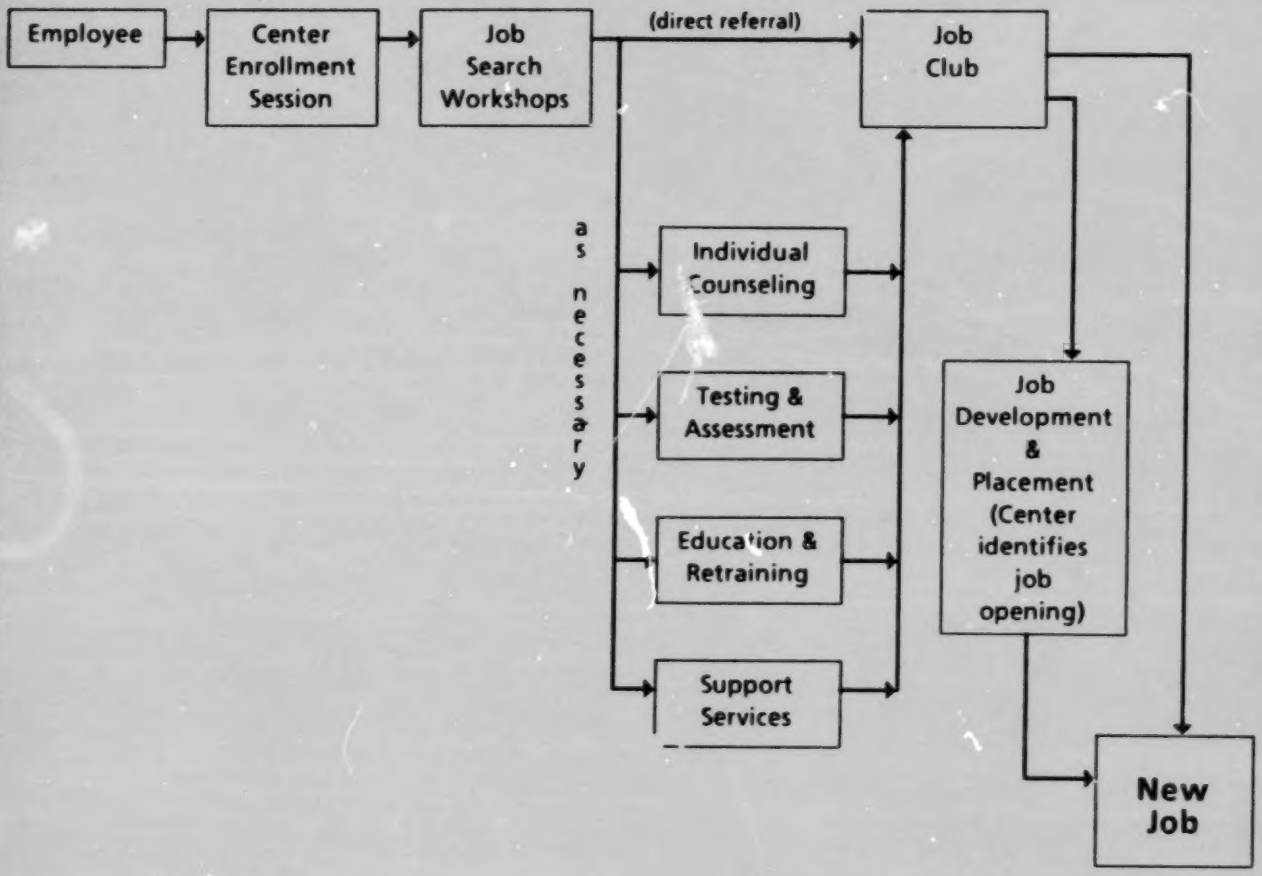
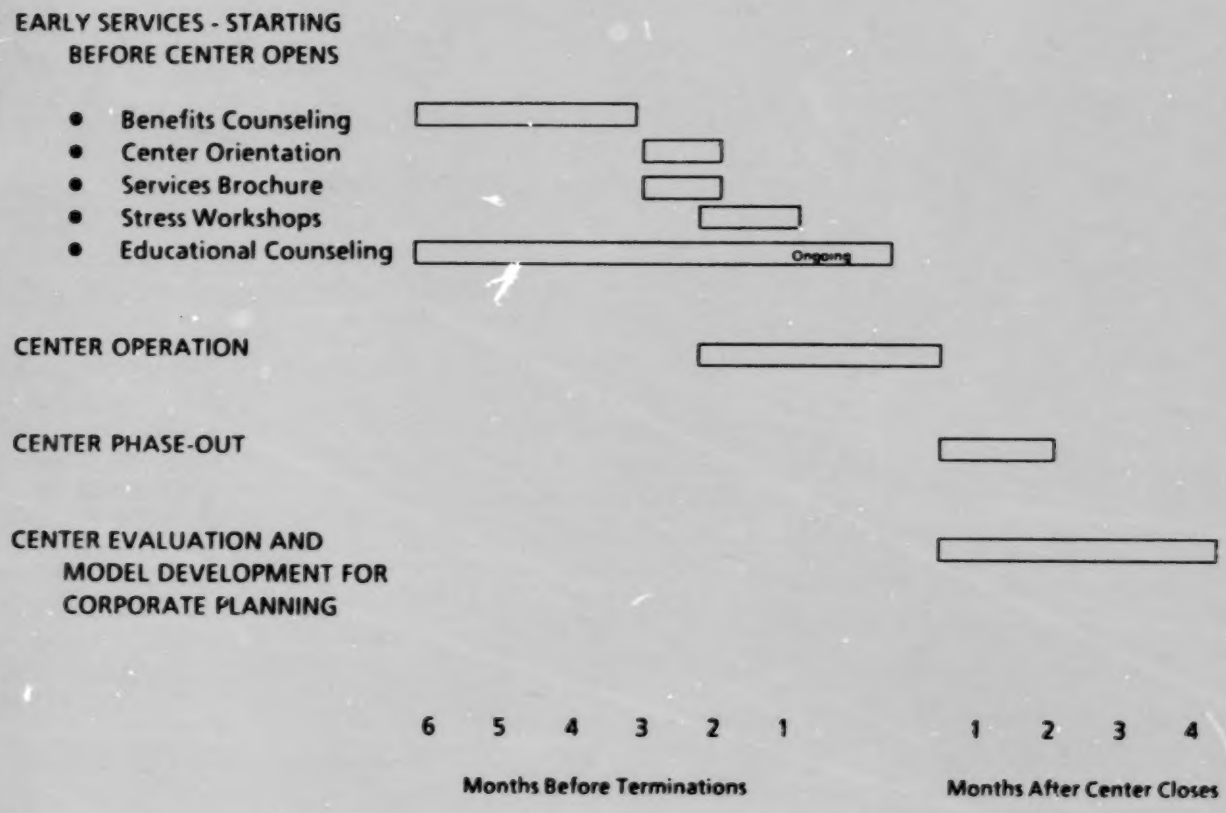


CHART 3: PROGRAM OPERATION TIMELINES



5. EVALUATION, MODEL DEVELOPMENT AND TRANSFER OF EXPERIENCE

When the affected plant belongs to a corporation planning workforce reductions at other locations, experience gained in planning and operating the assistance center can be a valuable guide for planning similar efforts, improving the approach, and establishing corporate wide policies. Systematic documentation and evaluation of the program provides a factual basis for workforce reduction planning at the corporate level.

Two kinds of information should be gathered:

1) Results: This information documents how well the program worked. How many workers found jobs? What kind of jobs did they find? At what wages or salaries? How many workers attended job search workshops and received counseling? Which services appeared to be most helpful to employees? How much did the program cost per client? Per job placement? Answers to these questions generally can be found in program and financial records. They are essential to interpreting employee acceptance of the center, the impact of center services on individual job search, the effectiveness of services provided via collective bargaining agreements, and the cost-effectiveness of program managment.

2) Operations: This information documents the process of how the center operated -- how it achieved results. It provides the basis for model development and technical assistance to other sites. Items to be documented include management-labor steering committee decisions, the center's location, layout, and facilities-equipment, center staffing, center plans, budgets and funding proposals, services provided and who provided them, the timing and sequence of services, community involvement, and any other important center policies and procedures that evolved during the course of its operation. Center staff, company and union staff, or technical assistance contractors can be responsible for program documentation.

C. STAFFING

As with most organizations, the most important contributor to an assistance center's success is a high quality staff which is appropriately suited to the task at hand. An assistance center operates intensively over a limited period. Hundreds of workers can be actively involved at any one time. Center staff will be expected to advise, encourage, instruct and support unemployed individuals and respond to their personal frustrations. It is important that staff be able to gain the trust and respect of workers being served at the center.

This requires individuals who work well with people, who are enthusiastic and positive in outlook, and who understand the situation that workers face. Staff must also be knowledgeable of the labor market, educational opportunities, and social services. (Specific expertise requirements will depend somewhat on what services are needed most, e.g. retraining, job development.)

The selection of some staff from within the company and union and a modest amount of staff training can help greatly when assembling a staff for the center. Also, the participation of company and union staff can increase the center's credibility, increase its familiarity to workers, and decrease program costs. Whether or not company or union personnel are selected, center staff should have the positive outlook and interpersonal skills required to provide advice and assistance to unemployed adults.

Another source of staff is local agencies such as educational institutions, the employment service, and private industry councils. These individuals will be familiar with existing services in the area and can serve as an important link to the community. Agency staff are sometimes loaned to a center or can be obtained via a contract paid for by Title III funds.

Staff Positions

A key issue for any organization is its staffing plan: how many staff, with what expertise, and for what role within the organization. An assistance center is not a large operation. Generally, its core staff consists of a few individuals. Supplementary staff can include part time counselors and community volunteers for tutoring and other services. Chart 4 presents a sample organization and staffing plan for an employee assistance center.

A well qualified project manager is the most critical staff requirement. Ideally, he or she should be a seasoned manager, experienced in personnel and labor relations, who is respected by the corporation, the union and workers. The manager should report directly and exclusively to the management-labor steering committee and should be responsible to the committee for the supervision of all center operations. This means assuring responsible fiscal management, setting up a program management system, coordinating services, periodically reporting to the steering committee; working closely with community groups, and overseeing efforts to document and evaluate program results.

The manager must also be responsible for planning and coordinating the job development (employer outreach) and retraining portions of the center's program. These are discussed at length in Chapter 4. For a very large program -- serving thousands of workers -- in a high unemployment area, the manager may need a staff assistant.

The following lists job descriptions for other potential center staff positions. Few centers will be large enough to justify a full time staff person for each of these functions. The job descriptions, however, outline the range of expertise and responsibilities involved in running a complete center.

- Workshop instructor: Staff will be needed to conduct job search workshops. In some cases, the workshops can be contracted out to a local agency or a private firm. Otherwise, the center will want to obtain its own staff for this purpose. To estimate the number of staff needed, figure that the typical workshop represents one week of instruction for about 15 persons. Workshops for 600 employees, then, would require 40 weeks of work for one instructor or 20 weeks for two. (600/15=40 weeks) Instructors should be familiar with the workshop topics outlined in Chapter 4. In most cases, instructors also will be facilitators for job clubs and will be responsible for tracking the progress of individuals in the clubs. Finally, instructors will be approached by workers for personal advice and counseling. An ability and willingness to counsel is required.

- Counselor: Center counselors will be providing guidance on a wide range of subjects including skills and interest assessment, career options, employment opportunities, testing and assessment programs, education and training programs, job search techniques, available social and health services, personal financial problems, stress related problems, and more. Like instructors, counselors must play a key role in coordinating center services for each individual. Information on job openings, retraining programs and individual skills, for example, must be assembled by counselors for appropriate job matches and training referrals.

- Job Developer: Responsibilities include contacting prospective employers and supervising all employer outreach activities; coordinating with existing job development activities occurring in the region; developing a system for capturing all information related to job opportunities and making the information available to workers; coordinating all job development efforts with the job search workshops, job clubs, retraining, and worker assessment and counseling activities of the center; working with other center staff to match individuals with job openings; participating in job search workshops as an instructor about the labor market.

- Educational Counselor/Coordinator: Responsibilities include obtaining information about skill requirements associated with job opportunities; obtaining information via surveys and other sources about existing worker skills; based on that information, working with local education and training institutions to develop appropriate occupational retraining courses for workers; arrange for GED classes, if possible on-site; arranging other educational services as needed, e.g. tutoring, special workshops, etc.; counseling individual workers regarding education and training options; refering workers to formal testing and assessment services as necessary; following up after testing and assessment for appropriate referral to retraining or other services; working with the Program Advisory Committee to identify training resources and coordinate efforts; and assessing the effectiveness of various education and training activities.

- Administrative and Secretarial Staff: A center will require administrative and secretarial support for the following purposes:

  a) bookkeeping and recordkeeping,
  b) receptionist and telephone answering,
  c) typing resumes and job applications for workers, and
  d) miscellaneous clerical tasks e.g., correspondence, preparing workshop materials, etc.

  Support can be obtained in various ways. Sometimes the company or union(s) can contribute or loan clerical staff to the center. Other times, the center can hire full-time, part-time or temporary staff. Bookkeeping and recordkeeping can be contracted out, delegated to a local agency such as a Private Industry Council, handled by center staff or by the company's accounting department. Competent bookkeeping, of course, is important for planning and auditing purposes.

  The receptionist position is especially important because the center is a new organization that has contact with many workers and individuals in the community. The receptionist should be poised and fully knowledgeable of the center and its services.

In addition to these standard functions, it is frequently useful to obtain staff support by making special service arrangements for stress counseling, educational counseling, testing and assessment, tutoring in basic reading and math, financial counseling, paramedical and emergency health care, emergency telehpone "hot lines" and other services. Some of these services, such as tutoring, financial counseling and skills testing, are often available free of charge. Other services frequently can be purchased by the center at less than the normal cost. Service agencies compete for clientele so comparison shopping and careful negotiating can improve cost effectiveness.

D. BOOK AND RECORDKEEPING

Competent bookkeeping and recordkeeping are essential for assembling important information about clients, for program tracking and for auditing purposes. Several types of records should be kept on center operations;

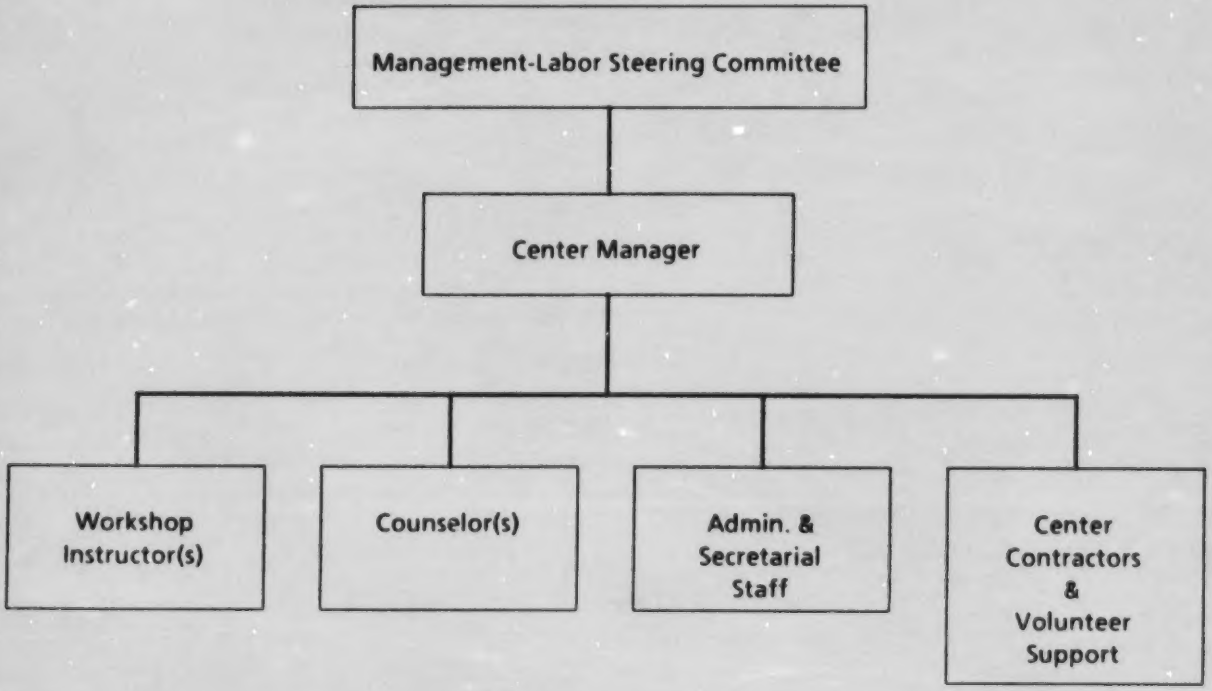
- Standard Files For Each Employee: The center must have a systematic process for assembling and storing information on each client. Over a period of time, center staff learn much about each person's skills, aptitudes, interests and employment goals. When this information is organized, it provides a solid base for professional counseling. Employee files are also indispensable because they document referrals and services provided through the center. This documentation avoids the confusion and inefficiency of referring someone twice to the same place or losing track of what services have been provided to that individual. Standard files should include information from the employee survey, from the intake session, and from counseling sessions, job search workshops, and other sources as appropriate.

- Financial and Program Records: The center must have records of expenditures and services delivered sufficient for auditing and evaluation purposes. When Title III Dislocated Worker funds are involved, the state will provide a format for reporting requirements. In general, records should document expenditures by cost category (typically, these are "administration", "training", and "support services"); and expenditures by funding source, if numerous funding sources are involved. The number of persons served and the number of job placements are also basic items for recordkeeping. Finally, the center should keep track of key services such as job search workshops (how many persons attended and at what cost), testing and assessment, retraining, individual counseling, etc.

CHART 4

SAMPLE ORGANIZATION CHART

FOR AN EMPLOYEE ASSISTANCE CENTER



CHAPTER 4
SERVICES FOR EMPLOYEES

The preceding chapter outlined a sequence of services that has proven effective in helping terminated employees adjust and find new jobs. This chapter provides more in-depth information on center services. It is divided into two major sections: 1) a section outlining the special needs of terminated employees (as opposed to unemployed individuals in general); 2) a description of re-employment and support services that improve the chances of a successful adjustment.

A well-planned program does not rely exclusively on one type of service to help employees that are experiencing a wide range of problems and circumstances. Job search instruction, testing and assessment, job development and placement, basic education, retraining, career, personal, and stress counseling, and emergency support services all play a strategic role in the adjustment process.

A. NEEDS OF TERMINATED EMPLOYEES

Workers displaced as a result of plant closures or major workforce reductions are not typical of the unemployed. This is important to understand before designing programs to help them. For instance, compared to most unemployed individuals, terminated employees generally are more skilled; have more solid work histories; are homeowners and contributing members of the community; are older; are accustomed to higher wages (and therefore likely to experience significant earning losses); are less willing to relocate; and are more likely to experience stress and health problems upon job loss. So they have special needs:

- They need to be convinced their jobs are over and that they must look anew.
- They need job search instruction and assistance because their skills in job search are rusty or non-existent.
- They may need retraining or help with relocating, and a knowledge of such opportunities.
- They often need support to deal with the stresses of their unfamiliar situation before they can get on with the task of finding a new job.
- They often need assistance with understanding complicated benefit packages and how to use benefits in an effective manner.
- They need information about community resources, such as special health care programs, that can help until they become re-employed. In general, dislocated workers are unfamiliar with social services available in their community.

B. RE-EMPLOYMENT SERVICES

Services at the center will fall generally into two categories: 1) those that help workers find new jobs; and 2) supportive services, such as personal counseling and health care, that are not "employment" services per se, but which contribute to a worker's adjustment after being terminated. Re-employment services are discussed in this section.

1. GROUP JOB SEARCH INSTRUCTION

An early step in the re-employment process is to give individuals a basic understanding of their employment situation and what they can do about it -- understanding the nature of the job market, how to go about finding jobs, how to match jobs with personal abilities and interests, how to prepare resumes and job applications, how to interview, etc. Group job search instruction can be a cost-effective way of achieving this objective. Many think of job search workshops as courses in resume writing but instruction should strive to accomplish more than that. The end result of the workshop should be an individual re-employment plan for each worker attending. To accomplish this goal, the following diverse topics generally should be covered:

- Psychological adjustment to job loss
- Individual skills and interests analysis
- Trends in business and the labor market, especially in relevant skill areas
- Identifying job opportunities, e.g. talking to friends and relatives, typical sources of job information, etc.
- Resume preparation
- Interviewing skills and practice
- Personal and family budgeting and financial planning
- Negotiating salaries/wages

Resource Area

Supporting the job search instruction should be a resource area containing supplies, phone banks, bulletin board job listings, area maps, newspapers, other job information sources and a typist to facilitate job search.

Job Clubs

An activity which complements the job search instruction is the formation of job clubs. Experience shows that individuals are more likely to find new jobs if they work in teams with their peers. Peer support and encouragement can help greatly to keep individuals on course, especially if early job search efforts are discouraging. In addition, the job club format enforces a structured work schedule where team members report to work (team job search) regularly. This greatly increases the number of hours per week that individuals spend looking for work. A final benefit is that they provide a vehicle for continuing staff contact and assistance. Given limited resources, it is not possible for center staff to counsel each individual every week. But it is possible to maintain regular contact with groups of workers engaged in job search.

Teams can be formed as an outgrowth of the job search workshops. The workshop instructor should be assigned to maintain contact with the group if possible. As individuals find jobs, team membership can be replenished by assigning "graduates" of later workshops -- a process that can also be coordinated by workshop instructors.

Availability and Cost of Job Search Instruction

Job search instruction services are now quite widespread and may be available from the local employment service, area community colleges, or other service contractors. Also, in numerous cases companies and unions have sponsored their own workshops with technical assistance from the outside. If the instruction is contracted out, be sure that it is fully integrated into the services offered by the center. A potential problem with outside contractors is that instructors may not be familiar with what is happening in the center at large and, therefore, cannot give appropriate guidance to individuals regarding follow up services at the center.

Group job search instruction can be very cost-effective for two reasons: 1) many individuals are served at one time; and 2) a skilled, motivated unemployed individual is still the best job search and placement agent in the business. In many cases, retraining and other services are not required for success. Nevertheless, costs for group job search instruction range from very low to very high. A week of job search instruction for 20 persons (using a local vocational counselor or other qualified person) for example, may cost as little as $500 in some areas -- which works out to $25 per person. Some contractors, on the other hand, may charge as much as $10,000 per 4 day workshop for 25 persons -- which works out to $400 per person, over 10 times as much. Of course, the quality of the service also can vary widely. In any case, the moral is that steering committee and center staff should look at costs and quality very carefully before contracting for these services.

2. INDIVIDUAL CAREER AND VOCATIONAL COUNSELING

Group job search instruction is a good starting place for getting workers oriented to the labor market. Individual career and vocational counseling, however, can be a critical follow-up step in the job search process. Individual counseling can achieve the following objectives:

- Improve the employee's understanding of his or her abilities
- Prepare or refine the employee's resume
- Provide guidance on career options
- Provide guidance regarding education and retraining options or needs
- Advise on how to market oneself to prospective employers
- Provide individual attention and moral support
- Make more efficient use of center resources by properly matching services to individual needs

Individual counseling is especially important for three types of individuals: 1) those that need or desire retraining; 2) those that have little or no idea of what type of career they want to pursue; and 3) those that have been job hunting for a long period with no success.

Counseling is important for individuals contemplating retraining because many workers are not familiar with how to go about the retraining process. Some may not have a good sense of whether retraining is appropriate in the first place. Also, retraining is generally the most time consuming, difficult and expensive activity in a re-employment program. Mistakes in this area can be costly for the individual and the center.

Some individuals will undoubtedly want to get a head start on the transition by starting their retraining early. For this reason, educational counseling soon after the termination notification, even before the assistance center opens, can be very useful.

For individuals having difficulty establishing a career direction and those who have met with no success at job search, individual counseling is a must. These persons are on the verge of dropping out of the job search process and can benefit greatly from individual attention and professional guidance.

It may not always be possible to handle all vocational and career counseling with in-house staff. If the caseload becomes too heavy or if outside expertise is needed, vocational schools, community colleges and other education agencies usually have counselors on hand. Counselors at educational institutions should be expected to guide individuals into programs commensurate with personal skills and interests. Counselors should also be knowledgeable of the local job market and be able to provide assistance with job placement when retraining is completed. Fees for such services can vary greatly -- sometimes services will be donated by area agencies. Where fees are charged, agencies often compete for service contracts. If the steering committee shops around and negotiates carefully, costs can be kept to a minimum.

3. FORMAL TESTING AND ASSESSMENT

Formal testing and assessment tools can sharpen a counselor's insight into an individual's abilities, interests, and acquired skills. This additional insight and information can be particularly useful when counseling persons who have not established a career direction. A wide variety of testing instruments are available, generally falling into three major categories:

- Aptitude tests, which assess an individual's basic abilities in areas such as mechanical ability, spacial visualization, manual dexterity, clerical checking ability, and more. The General Aptitude Test Battery (GATB) is the most widely accepted and validated test of this kind and is administered free of charge by the employment service. Often, arrangements can be made with the local employment service office to have workers tested in conjunction with their overall re-employment program. Other aptitude tests are available for a fee.

- Specialized skill and aptitude tests. When an individual has narrowed his or her career options to a general occupational area, specialized aptitude testing is sometimes useful to further identify occupational aptitude. The most commonly used specialized tests are those contained in the Specialized Aptitude Test Battery (SATB), which are companions to the General Aptitude Test Battery, and which are often administered by the employment service, free of charge. Other specialized tests are also available from a variety of public agencies and from private contractors.

- Achievement and basic literacy skills tests, which assess the general grade level at which individuals are competent in verbal and computational skills. Numerous local agencies, including the employment service, vocational schools, and community colleges are likely to have the professional capability to administer such tests.

- Interest tests, which assess an individual's vocational preferences and interests. Interest areas could include, for example, aesthetic/artistic, mechanical crafts, outdoors, service oriented, sales, technical, clerical, etc. As before, numerous agencies including the employment service and local schools will probably be able to administer these tests.

The management-labor steering committee should meet with the employment service and local education agencies to discuss their respective testing capabilities, follow-up counseling services, and fees. Different agencies can play specialized roles in testing if that will improve quality or decrease cost. The employment service, for example, may be able to administer the GATB for free, whereas local schools may be better suited or have more available staff for interest and literacy skills testing. The final arrangement should be an inexpensive testing and follow-up counseling program tailored to the needs of employees.

These four types of tests are not necessary for everyone. In fact, some persons may not require any type of formal testing to establish a career direction. Many other persons will benefit from a general aptitude test and perhaps an interest test without any additional specialized tests. It will be the responsibility of center counselors to guide individuals regarding testing options. Therefore, it is important that all counselors know the tests offered and be competent to judge individual need for testing.

Following any formal testing or assessment service, each person should be individually counseled regarding results and should receive professional guidance on developing or refining his or her re-employment plan. For this reason, any arrangement for testing and assessment services, whether for a fee or for free, should include professional interpretation and counseling for each individual tested. Often, the most costly part of the testing and assessment service is the follow-up counseling because it has to be done on a one-on-one basis. But low cost testing without follow-up counseling is not helpful to unemployed individuals. Because many public and private agencies are in the testing business, comparison shopping and careful negotiating will pay in both price and quality of service.

4. JOB DEVELOPMENT AND PLACEMENT

Frequently, the most serious problem terminated workers face is lack of access to job opportunities. This is especially true where terminations occur in rural areas with little economic activity, or in very high unemployment urban areas. An aggressive program of job development (i.e., identifying job opportunities) and employer outreach, therefore, is sometimes the highest priority service a worker assistance center can offer. Note that the company and unions involved in a dislocation frequently have been instrumental in identifying job opportunities. Companies, in particular, have extensive contacts with suppliers, customers, competitors and corporate affiliates. Some companies have even invited other employers to "job fairs" for their employees. A personal call from a corporate official may make a significant contribution to an individual attempting to get a job interview.

Close coordination with community employment and training agencies is also essential to a job development campaign. Professional job developers (e.g. staff of the Employment Service, local private industry councils and other agencies) often have extensive employer contacts throughout the community. This expertise, however, is wasted if job developers do not know the specific skills of terminated employees. Agencies to contact include private industry councils, the Employment Service, economic development agencies and local business organizations such as the chamber of commerce. A list of possible job development strategies follows:

1) Directly contacting corporate suppliers, customers, and other contacts to identify job opportunities.

2) Identifying potential employers via contacts of steering committee and advisory committee members.

3) Coordinating with other professional job developers and job placement agencies in the area, i.e. the local private industry council, the local Employment Service office, and local vocational/technical schools.

4) Contacting all local, state, and regional economic development agencies regarding area business expansions.

5) Using relocation and on-the-job training financial incentives as a part of economic development business incentive packages.

6) Requesting local and state business organizations to develop networks of contacts to identify job openings.

7) Following up on unlisted vacancies, i.e. when dislocated workers have located employers who appear to be hiring but have not listed or advertised the job openings.

8) Directly contacting employers.

9) Arranging employee interviews on premises at the center.

10) Comparing employment patterns with the ZIP code addresses of employees to determine which jobs are within commuting distance.

Implementing such a wide range of job development strategies requires careful planning and specific task assignments to center staff and members of the steering committee or community advisory group. Questions to be addressed include:

- Who will work with local economic development groups, the local private industry council, the Employment Service and area business groups to identify job openings and on-the-job training opportunities? How will this be accomplished?
- Who will be responsible for researching the job market and contacting employers, business organizations and other helpful entities in adjoining labor markets within 50 to 100 miles from the plan site?
- How will job openings in outlying areas be correlated with employee residences (e.g. ZIP codes) for appropriate matches?
- Who will be responsible for making sure all job openings are posted or otherwise publicized at the center?
- How will the center try to match each worker with job openings suited to his or her particular skills?

Answers to these and similar questions should result in a specific plan and individual assignments for job development at the assistance center.

5. OCCUPATIONAL RETRAINING

Many dislocated workers need retraining before they can find suitable employment. A worker assistance center should coordinate customized occupational retraining programs for those who are interested and qualified. Short term vocational education classes leading directly to employment should be emphasized. The skills of some dislocated workers, though obsolete, can be adapted to newer applications. It may be possible, therefore, to design a training curriculum which adapts the skills of workers in a particular occupation or industry to match the skill requirements of available or forthcoming job openings. Such retraining should be based on results of the employee survey, occupational analysis, preliminary information regarding the job market and information obtained during individual counseling sessions and job search workshops. As the program progresses, retraining should be closely linked with job development efforts so that curricula can be geared to identified job opportunities.

An employee assistance center can organize retraining programs in several ways: a) hire its own instructors and run courses, b) make individual referrals to area education and training institutions, and c) contract with area training institutions for special courses suited to the needs of groups of dislocated workers. Private industry councils will often be a rich source of information regarding area training opportunities. Examples of how the assistance center can arrange training opportunities for employees include the following:

- Working with the local private industry council to arrange on-the-job training and special classroom instruction courses.
- Contracting with local education institutions for short, specialized occupational retraining courses based on possible "skills transference" between workers' existing skills and those skills in demand by employers.
- Funding tuition reimbursement programs for employees wishing to enroll in established courses or in special center retraining courses. (Some labor-management contracts already provide for this kind of financial support.)
- Exploring the possibility of arranging entrepreneurship training for workers who might be interested and able to start a small business

Like job development, implementing a retraining program requires careful planning and specific task assignments for center staff. Questions that must be addressed include:

- How will vocational counseling be coordinated with retraining programs so special group training courses can be developed based on individual need?
- How will valuable information obtained during job search workshops (e.g. individual skill areas) be recorded so it can feed into counseling, retraining and job development?
- How will retraining coordinate with other services so individuals who are near the end of their retraining will be integrated into the flow of job search and job development activities at the center?
- Who will coordinate the scheduling of retraining classes to fit the shift schedule of employees still on the job?

Costs of Retraining

Though retraining is generally the most expensive of re-employment services, it is also the service most likely to be subsidized from public and private sources, notably government employment and training programs and private collective bargaining agreements. In general, occupational retraining costs are directly related to tuition rates at local schools. Tuition is only a few hundred dollars for most short term vocational courses. Local community colleges also offer courses at low tuition rates. On the other hand, longer term technical training at a private school, or even a two year degree at a community college is likely to cost several thousand dollars. To limit costs, the Steering Committee can set a maximum reimbursement for educational expenses per employee.

6. ON-THE-JOB TRAINING (OJT)

On-the-job training (OJT) positions represent special opportunities for terminated workers. Subsidized by the state Dislocated Worker Program (Title III of the Job Training Partnership Act -- see Chapter 5), OJT positions are a temporary job placement usually leading to a full time, permanent position. Under OJT programs, employers are reimbursed for up to 50 percent of the trainee's wages for a period of up to six months. Terminated employees are particularly easy to place in OJT positions because of their solid work histories. In many areas, however, the number of OJT positions offered by local employers is limited so this kind of training cannot be planned for everybody. The local private industry council will provide more information.

7. BASIC EDUCATION

Many jobs require specific educational credentials and skills. Basic education competencies may also be required for enrollment in occupational retraining courses. Remedial education courses, especially GED equivalency courses, can fill this need. GED instruction and individual tutoring can be arranged at the center or via referral to local secondary and post-secondary institutions, often at no cost. Individual tutoring in basic skills such as reading and arithmetic frequently can be arranged at no cost through local volunteer groups or education agencies.

8. RELOCATION ASSISTANCE

Some labor markets have relatively few jobs available. Though workers are reluctant to uproot and relocate, some may have to in order to find new jobs. An employee assistance center can provide qualified workers with some financial assistance for relocation in addition to the job development counseling and other services which could support a successful move. To qualify for relocation support under the state Title III Dislocated Worker program, a worker must have a bona fide job offer which requires a physical relocation of the household, and be unable to find a comparable job within a reasonable commuting distance. Relocation costs will vary, of course, depending on the individual situation. Most programs offering relocation assistance, however, will pay a flat amount -- say $500 -- to help defray costs.

C. SUPPORT SERVICES

Several services are not directly related to finding new jobs but are frequently necessary before employees can make a successful adjustment. Support services are especially important early in the adjustment process, before or shortly after the termination. They can alleviate many of personal complications that can stand in the way of adopting a positive approach to job search. Important support services include:

1. PERSONAL COUNSELING AND EMERGENCY REFERRAL

Job termination can generate a range of financial, family and health problems. Community agencies should be made aware of the situation and referral staff should be knowledgeable of the full range of local assistance in the various counties where employees live. Emergency referrals can be handled on a 24-hour basis via telephone "hot lines" and on a more personalized basis on-site at the plant. For non-emergency situations, counselors should be available at the center for assistance and referral to other services. An employee assistance center also can help greatly by making special service arrangements with local social and health agencies for terminated workers. Some health agencies, for example, may be willing to contribute diagnostic or paramedical services at low cost or free of charge.

2. STRESS COUNSELING

An important barrier to re-employment is the frustration felt by employees following termination. Many individuals are not ready to take positive steps until they have had a chance to deal openly with their frustrations. Psychological counseling can give individuals a chance to vent their emotions and understand that their anxieties are shared by others. At many plant sites, group or individual stress counseling sessions have been arranged early in the program expressly for this purpose. These sessions can help greatly to create the environment for a cooperative and positive approach to finding a new job. Local mental health agencies frequently can be helpful in arranging these services for an employee assistance center.

3. INDIVIDUAL BENEFITS COUNSELING

Employees often do not absorb details on paper or in group presentations, especially when these are given shortly after advance notice or termination announcements are made. Modern benefits packages can be quite complicated. One-on-one counseling is needed. Company or union staff should provide this service.

4. SPECIALIZED COUNSELING AND EDUCATION

Counseling services and educational workshops on specialized topics such as financial planning, health, nutrition, and local social services can be arranged by the center. Local banks or credit agencies, for example, often are willing to provide workshops and free individual counseling on personal credit, budgeting and financial management.

5. UNEMPLOYMENT INSURANCE CLAIMS TAKING

An employee assistance center frequently can arrange for the local unemployment insurance office to send staff on-site to take initial claims.

6. SERVICES BROCHURE

As outlined earlier, a short brochure listing all services provided by the assistance center and by all other community agencies should be put together for workers. This not only provides valuable information to workers but also relieves the workload on referral staff at the assistance center. Appendix B contains information on how to put together a services brochure.

CHAPTER 5
ACCESSING RESOURCES

This chapter outlines means for accessing resources to support an employee assistance effort. Earlier chapters have noted that free or low cost services frequently are available from community volunteer and service agencies. This chapter emphasizes the availability of government funds to support employee assistance -- specifically, the Dislocated Worker Program funded by Title III of the Job Training Partnership Act. An aggressive and creative effort to secure outside resources will usually meet with some success and can significantly lower the costs associated with employee assistance programs.

Overview

A secret to success in employee re-adjustment is mobilizing community resources. In most cases, free or low cost services can be arranged for dislocated employees via the United Way, local social service agencies, local education and training institutions, the employment service, the media and various community/volunteer groups. For this reason, it is especially important that representatives of these organizations be consulted when planning the program.

The complete costs of staffing and administering the employee re-adjustment center, however, will be difficult to recover via community sources. Fortunately, such costs are generally modest -- in the range of several hundred dollars per employee -- and a new resource is available for exactly this purpose: Title III of the Job Training Partnership Act, called the Dislocated Worker Program.

JTPA Title III Dislocated Worker Program

JTPA Title III provides federal funds to states for worker re-adjustment efforts including retraining, job development, job placement, etc. -- in other words, the full range of activities sponsored by a employee assistance center. Depending on how the state in question structures its program, funds can be provided directly to companies, unions, private industry councils, cities, counties, social service agencies or any other legitimate organization. The most salient feature of Title III is its flexibility -- governors have broad authority over who is served, how the program is planned and administered, how resources are distributed, and what services will be provided.

A key thing to remember is that the Federal government is leaving most decisions entirely up to the states. Even though the funds are federal, do not apply to the federal government for funding. In most states, a well-organized proposal that has company and union support stands an excellent chance of receiving funds.

Title III programs differ significantly from state to state and this could have an impact on how an employer program is organized. Some states, for example, have established regional outplacement centers to service all dislocated workers living in a certain area. Where this situation exists, services at the plant-based center and the regional facility will have to be coordinated by way of a referral process. Other states are experimenting with a variety of approaches including direct funding for plant-based assistance centers. Yet other states are channeling Title III funds through private industry councils or other local agencies. In these cases, employers should make arrangements to serve their plant population at the local level with the appropriate party.

Who to Contact

Given the variety of ways states have chosen to administer Title III, a question may arise about who to contact for information on Title III grants. There are places to begin. These are the local private industry council, which should have information about the program; and the governor's office which is ultimately responsible for Title III.

By law, certain parties must be consulted before a Title III proposal can be funded. These are the local private industry council and any labor unions who have "substantial numbers of members" affected by the terminations. If Title III funding is desired, it is important to contact these parties early in the planning process to obtain their input and support.

Planning, proposal development, negotiation and approval takes several months. The state Title III representative can explain proposal submission procedures and deadlines. Appendix C contains detailed information on the JTPA Title III law and regulations.

CHART 5
POSSIBLE SOURCES OF FUNDS AND SERVICES

FUNDING

- Management-Labor contracts
- Job Training Partnership Act Title III Dislocated Worker Program
- Foundations
- Other Federal and State Programs, e.g.,

STAFF, SERVICES AND EQUIPMENT (IN-KIND)

- Company
- Union(s) and Labor Organizations
- United Way and other Community Service agencies
- Employment Service
- Vocational schools and community colleges
- Private Industry Council
- Area social service agencies
- Area health clinics and agencies
- Newspapers and radio and television stations
- Churches
- Banks and Consumer Credit Agencies

CHART 6
JOB TRAINING PARTNERSHIP ACT
TITLE III DISLOCATED WORKER PROGRAM

- Will pay for retraining, counseling, support services and some administrative costs

- Money can be granted to companies, unions, private industry councils, local government or community groups

- States, not the Federal government, are the principal administrators

- Contact your local Private Industry Council or the Governor's Office for more information

APPENDIX A
EMPLOYEE SURVEY

Appendix A Employee Survey

I. Introduction

Increasingly, companies, unions and communities are working together to lessen the most serious impacts confronting employees affected by plant closures and major terminations.

Many are doing this through the development of assistance centers specifically designed to help workers and their families during the transition period from one job to another. An essential tool in the establishment of assistance centers is a survey of the affected work force. The survey's most important function is to gather information needed to plan the center's activities.

The purpose of this handbook is to assist in the development and implementation of a worker survey. Users of this information are encouraged to modify the survey to fit their own situation.

II. Purpose of a Survey

The purpose of a worker survey is to:

- Reassure workers that efforts are underway to develop assistance programs during the transition period.
- Identify individual problems and needs which require targeted resources.
- Help workers begin considering what they want to do after they are laid-off.
- Identify the number of workers likely to use a center's services thus providing information useful in job development efforts.
- Alert workers about options available to them such as retraining and counseling.

III. A Suggested Framework for an Employee Survey

The following sections include a demonstration survey designed for a situation where the terminations have been announced and there is adequate time to plan for the development and implementation of a center. Supplementary questions are provided to assist in situations when there is no notification and in cases where there have been gradual layoffs finally leading to a permanent plant closure. A sample cover letter completes the survey guide.

IV. Compiling the Results of the Survey

Tallying up the results of a questionnaire is essentially like keeping score. Both the number of people participating in the survey and the number of questions asked will determine, in large part, how many people are needed to compile the results.

If there are less than 100 people answering the survey, it is relatively easy to go through the questionnaires by hand adding up the results. As the number of participants increases, however, it may be easier to use a tally sheet to keep track of survey answers.

In cases where more than 100 people are given the survey, three additional steps should be taken. First, the survey should be laid out on paper so that the questions are distributed on at least two, and if necessary, three pages. This will facilitate having more than one person tally the results. Second, the survey instrument (the actual survey form itself) should have a column on the right hand side (see example) of the page which allows the administrator of the survey to review each question and transfer answers to a uniform location on the survey. This procedure will greatly increase efficiency when tallying the results and will also help reduce error. Finally, after the surveys have been checked, answers should be transferred to a tally sheet and counted up.

The tally sheet is important because it acts as a record to guard against error. The results, once counted, can then be converted to percentages. This final computation makes presentation of the results much more comprehensible than raw counts.

In addition to tallying the survey results to get aggregate estimates of personal preferences and needs, the survey can be integrated into an information system for individual workers. The survey becomes the first sheet in a person's case report. The information gathered from the survey will help both counselors and job developers.

V. The Use of Computers for Survey Analysis

In an number of worker assistance centers, public and private donations have made possible the use of personal computers for record keeping. A computer can be of great assistance for summarizing the results of a survey but often requires special software or a programmer's time to make the system operational. If neither are available then the computer is primarily a tool for storing the tallied results and then printing them out in different configurations.

As the number of participants in the survey increases, the use of a computer becomes more feasible and efficient. The trade off in person hours for tallying the results of a large survey versus using a computer may tip the scales toward paying the costs of having a program written to run the computer properly. Certainly beyond 600 respondants, the use of a computer becomes cost saving.

An alternative to using a small personal computer or micro-computer for survey tabulation is contracting with an organization or business offering computing services to the public. In many communities, it is possible to purchase computing assistance from a local college. A college may also be able to provide technical assistance in the design and implementation of the survey. Again, the use of such services depends largely on the size of the work force and the amount of lead time available for planning and implementing the survey.

Sample Cover Letter

Dear Employee:

We are currently developing a program to help you find your next job. The program will include workshops on personal skill assessment, resume writing, job searching with an experienced job developer, and counseling for retraining and skills development programs.

In order for us to help, we need to ask you some questions about your current situation and your plans. The results of the survey are strictly confidential and will be used only to plan transition services.

If you have any questions about the survey or the planned program, please feel free to contact _____ at [phone number or location]. Thank you for your help.

Signed by:

The Steering Committee Co-Chairs
or Company and Union Management

SAMPLE SURVEY FORM

A. General Information

1. Name _____
2. Address _____
3. City/State/Zip Code _____
4. Age _____ 5. Number of years employed at the firm _____ /__/
6. Social Security Number _____ 7. Veteran yes ___ no ___ /__/
8. Have you already located a new job? _____ /__/
(If answer is "Yes," you need not complete the survey unless you want further assistance.)
9. Are you head of your household: _____ /__/
10. Do you have dependents at home? _____ /__/
11. How many years of schooling have you completed? _____ /__/

B. Future Plans

We are planning a number of programs to assist you in the transition between jobs. In order for the programs to be effective, we need to ask you a few questions about your future plans when the plant closes.

1 When the plant closes, is your first concern:
- [ ] to find a new job? /__/
- [ ] to enroll in school? /__/
- [ ] to both look for a job and to enroll in a program to upgrade your skills? /__/
- [ ] to begin planning to open your own business? /__/
- [ ] to seek retirement benefits through the company retirement plan? /__/

2. If you plan to look for a job right away, do you want:
- [ ] assistance in finding another job? /__/
- [ ] a job in the same or similar occupation or industry? /__/

3. Are you willing to:
- [ ] relocate outside the area but with in the state? /__/
- [ ] move to another state to find another job? /__/

4. What is your minimum salary requirement?
5. If you are considering returning to school would you be interested in participating in a training program which:
- [ ] included on-the-job training [at a job site]? /__/
- [ ] included on-the-job training but without a job commitment at the end of the training [you can find your own job]? /__/

6. Is there an occupation you are particularly interested in at this time [if so please specify]?

_____

C. Counseling Services For You and Family

Would you like: (check any or all of the services listed)
- [ ] Credit Counseling (private and group discussions with local bank officials and credit assistance organizations). /__/
- [ ] Mortgage and/or rental assistance counseling. /__/
- [ ] Counseling about available social services funded by local, state and federal government agencies. (Programs such as food stamps, medical care, mental health, and family counseling, legal aid, social security, and veteran's services.) /__/
- [ ] Career and education counseling. /__/
- [ ] Will you need child care services while looking for a new job? /__/
- [ ] Comments, special concerns, suggestions: _____

_____

Supplementary Questions For Varied Circumstances

Conditions surrounding a plant closure or workforce reduction vary depending on when notification is given to workers and the community, and whether a closure was preceded by a series of layoffs. Each of these situations presents workers with a different set of problems. The survey instrument should reflect these differences.

A. Sudden Closure. When a sudden closure occurs, workers must immediately contend with the emotional impacts and the financial consequences of job loss. Their most pressing concerns are likely to be securing alternative employment, verifying their status regarding severance and other company-related benefits, and making alternative provisions for health care and financial security. In these cases, workers may be concerned only secondarily with career counseling and retraining opportunities. The following questions supplement the existing survey and should be integrated into it after section A.

Because You Were Terminated, There May Be Special Benefit Programs Available To You

1. Do you know if you are eligible for any of the following forms of assistance?

   [ ] Unemployment Insurance
   [ ] Trade Adjustment Assistance Benefits
   [ ] Disability Insurance
   [ ] Social Security Benefits
   [ ] Company-sponsored retirement and early retirement benefits

2. Would you like assistance to determine whether you are eligible for any of these programs?

3. Do you need immediate credit counseling and financial assistance?

4. Will you have problems paying your rent or mortgage soon?

5. Do you have health care benefits or will you need to make immediate arrangements for health care coverage?

6. Do you need legal aid services?

7. Would you like to be referred to organizations providing individual and group stress counseling services?

These questions should be followed by section B from the survey; omit section C from the original survey as the topics are covered in these supplementary questions.

B. A Gradual Layoff Leading to a Closure. When terminations occur over a long period, leading to a plant closure, worker will be at various stages of unemployment when the closure happens. That is, some workers will have found part-time work to make up for lost income while they were waiting to be recalled. Others will have only recently been terminated and will have had little contact with the labor market. Some workers will have a serious need for immediate work, having exhausted their unemployment benefits, while others will have just begun to come to terms with the permanence of the closure. The supplementary questions that follow should be integrated with section A of the sample survey form. Portions of section B should also be adapted when some workers have been out of work for a long time while others have just been terminated.

Supplements to Part A

1. Until the announcement of the closure, had you been waiting to be recalled or were you terminated already?

2. Are you currently working? /____/ part-time /____/ full time

3. If you are currently working, are there additional openings available?

4. If your present job is temporary, do you have prospects for a permanent job?

APPENDIX B
COMMUNITY SERVICES BROCHURE

Terminated employees frequently lack experience in seeking out and applying for assistance from service agencies. In fact, the array of available services can be confusing even for professionals in the social service field. A community resource brochure addresses this problem by providing a condensed source of names, phone numbers and addresses of credit counselors, social service agencies, health services and education/retraining programs. The resource brochure also should include complete information about the reemployment center -- all center services and hours of operation. Any services provided on-site at the center should be especially highlighted. In addition to providing employees with descriptions of services, phone numbers, locations, etc., the brochure can give useful advice on how to organize personal finances and access help when needed. Written guidance supplements the role of counselors and workshops in employee adjustment.

An outline for a community services brochure follows. It provides the authors of a services brochure with a framework for identifying and explaining area services that could be useful to terminated employees. The brochure outline divides into three general sections: 1) personal financial counseling services, 2) health and social services (including emergency referrals and income assistance), and 3) employment, education and training services, with an emphasis on services provided at the center.

Remember that employees frequently live in communities other than that in which the plant is located. Many may even live across a state line. So when listing services, be sure to include all of those within reach of where employees live.

I. FINANCIAL COUNSELING

The sample text on the following two pages provides guidance on how to begin organizing one's personal finances when laid-off. It can provide a starting place for composing the services brochure. It is suggested that this kind of guidance be in a visible place, near the front of the brochure. Organizing money matters is critical to economizing in the home, dealing with creditors, avoiding serious family problems, and accessing social and health services (since so many services require information about financial need).

Services to be listed in the brochure under the category of financial counseling and assistance should include:

- Any financial counseling services provided through the assistance center.
- Consumer credit counseling and education services.
- Area banks and credit unions that have expressed a willingness to provide free counseling services to terminated employees.
- Area Federal Housing Administration and Veterans Administration Offices to assist individuals holding FHA or VA mortgages. These individuals are sometimes entitled to free credit counseling.
- Legal aid offices and consumer affairs departments which can sometimes provide guidance on how to handle debt and finance problems.

SAMPLE TEXT FOR GUIDANCE ON ORGANIZING PERSONAL FINANCES

A Guide to Organizing Your Personal Finances

o Step 1: File for Unemployment Benefits

For the location of your local office, see the bulletin board at the assistance center.

o Step 2: List All Your Bills, Income, Property and Debts

First, list your monthly rent or mortgage payment, car payment, outstanding credit card payments, average monthly grocery bill, average monthly electricity, gas, telephone and water bills, and any other bills such as property taxes. Use the checklist in this brochure.

Next list income for your household such as severance pay, your wife/husband's wages, tax refunds, interest on savings accounts or bonds, stocks, etc., and social security payments to a parent living with you. Again, use the checklist in this brochure.

Third, list all your property and other assets, including the value of your home (minus the remaining balance on your mortgage), automobile, furniture, clothing and insurance policies. Again, use the checklist in this brochure.

Fourth, list your debts and other liabilities.

This financial information will be necessary when talking to creditors and counselors. Assistance agencies also require this information so it will help you to prepare ahead of time. It might help you find money you had not thought about.

o Step 3 -- Decide What Your Personal Financial Needs Are

What do you need the most? What do you need the most to get a new job? Does your car need repair? Do you need clothes to wear to an interview? What does your family need? Medicine? New glasses? School books? Dental work? Write down your most important needs.

o Step 4 -- Decide What To Do First

Decide which must be done first and what can be put off for a time. This will give you a place to start solving problems one at a time.

o Step 5 -- Put Your Papers in Order

Collect and organize your bank statements, rent receipts, mortgage payment book, car loan payment book, credit card statements, outstanding bills and other financial papers. Use the checklist in this brochure. You will need these records when you talk to the bank, creditors and the counselors at the assistance center.

o Step 6 -- Notify Your Bank and Other Creditors That Your Financial Situation Has Changed

After organizing your personal papers, write or telephone your creditors that your employment and financial situation has changed. If you give them enough warning and take a realistic and businesslike approach, most banks and creditors are willing to work out new arrangements. Creditors want to help you repay them, even if it takes longer than usual. If you can't pay, they lose money. Another advantage to notifying creditors is the help and advice they may offer on other financial problems.

o Step 7 -- Get Professional Advice

Sorting out your personal finances and dealing with creditors can be complicated. Professional advice is available. Start at the assistance center. Center staff can give advice or direct you to professional help in the community.

Following these seven steps will begin unemployment benefits, and help you save money, solve credit problems, reduce stress, and move toward your next job.

FINANCIAL WORKSHEET

Amount of monthly unemployment compensation _____

Amount of monthly rent or mortgage payments _____

Amount of monthly utility bills _____

Amount of food expense _____

On all instalment loans the following must be provided:

Monthly payment _____

Due date of loan payment _____

Loan balance _____

Is it secured? _____ If so by what? _____

On home mortgages the following is necessary:

Monthly payment _____

Does it include taxes and insurance; if not, what is the amount of both? _____

Balance owing on home and estimated value _____

List all other debts with amount you owe and the required monthly payment such as:

doctor _____

dentist _____

charge accounts _____

schooling or babysitter _____

misc. debt or expense _____

Monthly Income

Salary & Wages (take home pay) first person	$_____
Salary & Wages (take home pay) second person	$_____
Other monthly income	$_____

Monthly Living Expenses

Supermarket purchases	$_____
Automobile: fuel, repairs	$_____
Utilities: electricity, gas, water, telephone	$_____
Laundry & Cleaning	$_____
Clothing	$_____
Incidental expenses	$_____

Monthly Living Expenses (continued)

Medical, dental and prescriptions	$_____
Adult allowances	$_____
Children's allowances	$_____
Family Recreation	$_____
Misc. labor: babysitter, housecleaning, etc.	$_____
Subscriptions	$_____
Dues	$_____
Education/Lessons	$_____
Religious contributions	$_____
Charity contributions	$_____
Additional expenses	$_____
TOTAL	$_____

Fixed Monthly Payments

Rent or mortgage on home	$_____
Auto loans	$_____
Appliance, TV, furniture	$_____
Personal loans	$_____
Other loans	$_____
Bank cards	$_____
Other credit cards	$_____
Other monthly payments	$_____
TOTAL	$_____

Future Expenses

Income Taxes	$_____
Property Taxes	$_____
Insurance: life, home, auto	$_____
TOTAL	$_____
Total income for average month	$_____

Total monthly living expenses	$_____	
Total fixed monthly living expenses	$_____	
Total future expenses	$_____	
Total average monthly expenses		$_____
Left over income or amount of additional cutbacks needed		= $_____

II. HEALTH AND SOCIAL SERVICES (INCLUDING INCOME ASSISTANCE AND EMERGENCY SERVICES)

All communities have many volunteer groups, churches, non-profit organizations and public agencies involved in providing human services. The United Way, county health and social service agencies, and clergy are good starting points for canvassing the availability of these services in your community. Once services are identified, they should be listed in the brochure with a brief description of services provided in cases where that may not be self-explanatory. Services listed should include, but not be limited to:

- Personal counseling and referral services provided through the employee assistance center
- All United Way funded services
- Telephone hotline and crisis intervention services
- Alcoholics Anonymous and other drug abuse counseling services
- Legal aid services including government funded legal services agencies, legal aid societies and any other free or low cost legal services in the area
- Family counseling, stress counseling and other mental health-related services
- Social service referral networks and centralized sources of information
- Food stamps (application offices and procedures)
- Aid to Families with Dependent Children (AFDC)
- General Assistance (state funded income or welfare assistance)
- Child care and day care programs
- Medicaid and other programs to provide free or low cost health services to those in need
- Emergency rooms and other emergency health services
- Public transportation routes and services
- Volunteer emergency transportation services
- Utility payment assistance programs for those in need (often funded through community action agencies)

- All social security benefits including retirement for those age 62 and over, disability benefits and supplemental security income
- Veterans programs
- Special employment, training, rehabilitation and other programs for handicapped individuals
- Housing assistance programs (usually funded through housing authorities or housing and community development departments)
- Civil rights and minority assistance organizations
- Protective and emergency services for battered women, rape victims and other special target groups
- Police, fire, poison control and other emergency services

III. EMPLOYMENT, EDUCATION AND TRAINING SERVICES

Employment, education and training services for terminated employees should be provided through the assistance center. For this reason, the brochure should include an explanation of services available through the center. Additional information on local schools, colleges and employment programs, however, will help orient employees to the types of services offered at the center and to employment and training opportunities in the community at large.

Services and institutions listed in the brochure should include:

- All education and training services provided through the employee assistance center.
- Local Unemployment Insurance offices: Note any arrangements for unemployment insurance claims taking at the plant or the employee assistance center.
- Local Employment Service offices: Note any service arrangements that the employee assistance center has with local Employment Service offices; also note that the Employment Service has job information, makes job referrals and offers employment counseling and assessment services.
- Area vocational schools
- Adult education programs
- Volunteer tutoring services
- Community colleges
- Proprietary trade schools
- Apprenticeship programs
- Private Industry Councils and other local employment and training agencies
- Area labor organizations
- The Small Business Administration and other programs to teach entrepreneurship and assist small businesses
- Trade Readjustment Assistance programs: The employer should check to see if employees would be eligible or if the union has applied for TRA benefits which can include income supplements, training and counseling services.
- Civil service commissions for federal, state and local governments

APPENDIX C
JTPA TITLE III PROGRAM

INTRODUCTION

In October 1982, President Reagan signed into law the Job Training Partnership Act (JTPA) which continues the federal commitment to train and find productive employment for persons with serious labor market barriers. While many provisions of JTPA replaced or modified existing programs, Title III of the Act authorized an entirely new program to assist experienced workers who have permanently lost their jobs due to technological displacement, foreign competition and other structural changes in the economy. Title III, also called the Dislocated Worker program, provides federal funding for state-administered employment and training services aimed at re-employing the victims of displacement.

The most salient feature of Title III is its flexibility -- states are given very broad authority over who is served, how the program is planned and administered, how resources are distributed and what services will be provided. Programs can be organized in response to crisis situations, such as a major plant closing, or tailored for specific industries statewide, or targeted to high unemployment communities.

Two features of Title III are especially important:

o No presumptive deliverers: Title III is unusual in that, except for some review and consultation requirements, there are almost no federal mandates regarding how the program is to be delivered. States are given the option to involve business management, labor, PICs, community organizations, local governments, state agencies and other entities in the program.

o Versatility: The Dislocated Worker program authorizes a very wide range of services including training, counseling, job search, transportation, social services, pre-layoff assistance, and other activities. The principal federal requirement is that at least 35% of total federal and non-federal (matching) funds be spent for training or related services.

In general, because experience with dislocated worker programs is very limited, the intent of the law is to give states the opportunity to experiment with different approaches. Department of Labor regulations on Title III, issued March 15, 1983 are consistent with the approach of minimum federal interference. On many issues, for example, the regulations make a simple reference to the relevant section of the law and elaborate no further. This explanation and analysis of the Dislocated Worker program is designed to organize, under one cover, the major provisions, of Title III law and regulations. The remainder of this appendix is divided into five sections which are: 1) Title III Funding; 2) Eligible Clients and Activities; 3) Planning and Management; 4) Grant Application Procedures; and 5) a copy of the Title III law and regulations. Corresponding sections of the law and regulations are shown side-by-side.

I. TITLE III FUNDING

Funding Formula

The law requires that at least 75% of Title III funds be distributed to states by a formula composed of the following factors, equally weighted:

- Each state's relative share of the nation's unemployed individuals.
- Each state's share of the nation's "excess unemployed". Excess unemployment is defined in the Act as unemployment in excess of 4.5% in each state.
- Each state's share of individuals in the nation who have been unemployed 15 weeks of more.

The calculation of the formula factors are based on the latest available data from the Bureau of Labor Statistics. Regulations do not elaborate on the funding formula.

Discretionary Grants

Up to 25% of Title III funds can be distributed to states at the discretion of the Secretary of Labor to aid individuals " who are affected by mass layoffs, natural disasters, Federal Government actions (such as relocation of Federal facilities) or who reside in areas of high unemployment or designated enterprise zones." To be eligible for the discretionary grants, states must submit an application to the U.S. Department of Labor outlining needs, activities and projected results of the programs to be funded.

Matching Requirements

No funding match is required for the Secretary's discretionary Title III grants. To qualify for Title III formula monies, however, states must provide matching funds from non-federal sources, either public or private. Normally, the required match will equal the federal formula allocation; however, the match will be reduced by 10% for every 1% by which the state's unemployment rate exceeds the national average unemployment rate (for the most recent twelve month period prior to that fiscal year). Thus, if a state's unemployment rate exceeds the national average by 5 percentage points, no match is required.

The law provides that the "direct cost of employment and training services . . . provided by state or local programs (such as vocational education, private non-profit organizations, or private for-profit employers shall be counted as matching funds." The regulations place no further stipulations on Title III matching requirements.

The Department of Labor is allowing governors to define what specific types of contributions can be used to match federal funds. A DOL Field Memo, for example, specifies that governors can determine eligibility for such items as in-kind contributions, employer wages paid to on-the-job training participants, and costs for space, equipment and vocational education teacher's salaries.

The difficulty of matching the federal funds is eased by a provision that allows Unemployment Insurance benefits to be counted among the matching funds: state-funded U.I. benefits paid to individuals enrolled in Title III training can be credited for up to 50% of the total non-federal match requirement. This clearly encourages the provision of Title III services to U.I. claimants.

II. ELIGIBLE CLIENTS AND ACTIVITIES

Eligible Individuals

Title III authorizes each state to establish its own procedures for identifying "substantial groups" of dislocated workers. Individuals identified by the state must fall into one of the general categories outlined in the law:

- Have been terminated or have received notice of termination from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation; or
- Have been or will be terminated as a result of any permanent closure of a plant or facility; or
- Are long-term unemployed with little likelihood of employment in a similar occupation near where they live; or
- Are unemployed older individuals who may have substantial barriers to employment by reason of age.

Regulations do not include further specifications on eligible individuals. In general, states are given broad discretion regarding eligibility for Title III. Notice of termination is sufficient to trigger aid before a closure or layoff actually occurs, making early involvement possible. The long-term unemployed with little chance of returning to a similar occupation may also be designated eligible whether or not their unemployment results from a plant closure or mass layoff.

Eligible Activities

Title III authorizes a very broad range of services. Specifically, Title III funds may be used to help re-employ dislocated workers "through training and related employment services which may include but are not limited to":

1. Job search assistance, including job clubs.
2. Job development.
3. Training in job skills for which demand exceeds supply.
4. Supportive services, including commuting assistance and financial and personal counseling.
5. Programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

In addition, financial relocation assistance may be provided if the state determines 1) that the individual cannot obtain employment within his or her commuting area; and 2) that the individual has obtained a job or has a bona fide job offer elsewhere.

The activities enumerated are by no means exhaustive of the possibilities; they are merely illustrative. The final regulations emphasize DOL's intent to leave maximum authority to states -- no additional restrictions are placed on eligible activities. In general, states are given the latitude to pay for the full complement of training and employment services that are deemed necessary to re-employ dislocated workers.

Limitations on Use of Funds

Cost limitations are somewhat less strict than they appear at first. The law provides that no more than 30% of the Title III federal formula funds be available for supportive services, wages, allowances, stipends and administrative costs. Regulations further provide that no more than 15% of the federal formula funds be available for administrative costs. The law and regulations, however, go on to say that these restrictions do not apply to the matching funds and furthermore, that under no circumstances shall these restrictions apply to more than 50% of the total federal and non-federal funds available to a program.

What this means is that 35%, not 70% of the total federal and non-federal Title III funds must be spent for training and related services. (This applies even to high unemployment states where no federal funding match is required.) Training costs are defined in DOL regulations as follows:

"The costs associated with on-the-job training services; employer outreach necessary to obtain job listings or job training opportunities; salaries, fringe benefits, equipment, and supplies of personnel directly engaged in providing training (including remedial education; job related counseling for participants; employability assessment and job development; job search assistance; including preparation for work and labor market orientation); books and other teaching aids; equipment and materials used in providing training to participants; classroom space and utility costs; and tuition and entrance fees that represent instructional costs which have a direct and immediate impact on participants. In addition, 50 percent of the costs of a limited work experience program, and 250 hours of youth tryout employment, are considered allowable training costs."

This definition of training costs, though lengthy, was designed by DOL to establish generic categories of activities and leave states with some discretion.

Note that cost limitations do not apply to the Secretary's Title III discretionary grants. Cost-effectiveness, however, is high on the list of DOL criteria for awarding such grants.

III. PLANNING AND MANAGEMENT OF TITLE III

Performance Standards

Section 106(g) of JTPA states: "The Secretary shall prescribe performance standards for programs under Title III based on placement and retention in unsubsidized employment." At this point, however, DOL has not set strict standards on Title III per se but has instructed governors to set state standards for job placement rates. So little data has been collected on dislocated worker programs that setting national standards is difficult.

Role of Private Industry Councils

Title III contains several provisions which, when taken as a whole, outline a significant advisory role for private industry councils. These provisions are:

1. When a state identifies eligible individuals in a given labor market area, the PIC or PICs in the area must be requested by the state to provide assistance in identifying local job opportunities for such individuals.

2. The PIC and the appropriate chief elected officials shall be given 30 days to review and make recommendations on any planned Title III programs for their service delivery area. The state must consider these recommendations before approving a program and if the final decision is contrary to the recommendations, a written explanation must be provided to the PIC and local officials. This requirement does not apply to programs operated on a statewide or industry-wide basis.

3. The law specifically authorizes states to involve PICs in identifying eligible individuals for Title III services.

Final regulations do not elaborate on these requirements.

Relation to Unemployment Insurance System

Title III builds in two explicit links with the Unemployment Insurance (UI) system. The first, mentioned earlier, is that state UI benefits paid to individuals in Title III training programs can be credited for up to 50 percent of the non-federal matching fund requirement.

The second link between Title III and UI is more complex and less known, but significant: Individuals enrolled in Title III training, which is directly linked to state identified job opportunities, are automatically considered to be in compliance with the UI work test, and therefore can receive benefits. That is, these individuals are not required to be actively seeking employment during their training period; nor do they have to accept jobs referred by the Job Service if the acceptance of such a job would interrupt their retraining for the state-identifies job opportunities.

Consultation With Labor Organizations

Section 306 of JTPA requires that any Title III program "which will provide services to a substantial number of members of a labor organization shall be established only after full consultation with such labor organization." Final Title III regulations do not elaborate on this requirement.

JOB TRAINING PARTNERSHIP ACT

TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS

ALLOCATION OF FUNDS

SEC. 301. (a) From the amount appropriated to carry out this title for any fiscal year, the Secretary may reserve up to 25 percent of such amount for use by the States in accordance with subsection (c).

(b) The Secretary shall allot the remainder of the amount appropriated to carry out this title for any fiscal year among the States as follows:

(1) One-third of the remainder of such amount shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

(2) One-third of the remainder of such amount shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this paragraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 per cent of the civilian labor force in the State.

(3) One-third of the remainder of such amount shall be allotted among the States on the basis of the relative number of individuals who have been unemployed for fifteen weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

REGULATIONS

Subpart A—General Provisions

§ 631.1 Scope and purpose.

This part contains the regulations governing programs designed to serve dislocated workers as authorized under Title III of the Act. Programs are operated pursuant to two allotments: (a) at least 75 percent of the funds appropriated for Title III shall be allotted by formula to the Governors; and (b) up to 25 percent of the funds appropriated for Title III may be reserved for distribution to Governors at the Secretary's discretion. Planning, application and other requirements applicable to formula funded programs are set forth in Subpart B of this Part. Requirements applicable to discretionary programs are set forth in Subpart C of this Part. Program design and management requirements applicable to all programs operated under Title III of the Act are set forth in Subpart D of this Part.

Subpart B—Formula Allocated Programs

§ 631.11 General.

(a) The Secretary shall allot at least 75 percent of the funds appropriated for Title III among the States pursuant to the formula in Section 301(b) of the Act.

(b) The allotment for the Virgin Islands, Guam, the Northern Mariana Islands, American Somoa and the Trust Territory of the Pacific Islands shall be based on the following computation: Allotments for these areas, pursuant to Section 201(a) of the Act, as a proportion of total allotments pursuant to Section 201 of the Act, applied to total funds available for allotment, pursuant to Section 301(a) of the Act.

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JOB TRAINING PARTNERSHIP ACT

(c) The Secretary shall make available the sums reserved under subsection (a) for the purpose of providing training, retraining, job search assistance, placement, relocation assistance, and other aid (including any activity authorized by section 303) to individuals who are affected by mass layoffs, natural disasters, Federal Government actions (such as relocations of Federal facilities), or who reside in areas of high unemployment or designated enterprise zones. In order to qualify for assistance from funds reserved by the Secretary under subsection (a), a State shall, in accordance with regulations promulgated by the Secretary establishing criteria for awarding assistance from such funds, submit an application identifying the need for such assistance and the types of, and projected results expected from, activities to be conducted with such funds.

REGULATIONS

§ 631.12 State plan.

(a) To receive financial assistance for formula allocated programs under Title III of the Act, the Governor shall include in the Governor's coordination and special services plan, submitted pursuant to Section 121 of the Act, a statement of intent to operate programs in compliance with matching provisions of Section 304 of the Act.

(b) If the Governor has stated, pursuant to paragraph (a) of this section an intent to operate formula allocated programs under Title III and subsequently determines not to operate such programs during the period covered by the Governor's coordination and special services plan, the Governor shall notify the Secretary of such a determination in writing on a timely basis.

Subpart C—Discretionary Program

§ 631.21 General.

Of the funds appropriated for Title III, up to 25 percent may be awarded to Governors submitting applications for such funds based upon selection criteria determined by the Secretary pursuant to the provisions of this subpart.

§ 631.22 Eligibility for funding.

The Secretary shall make available to Governors funds reserved under Section 301(a) of the Act to serve individuals who are affected by mass layoffs, natural disasters, Federal Government actions (such as relocations of Federal facilities), high unemployment areas or designated enterprise zones. These circumstances must be sufficiently severe so that:

(a) The needs cannot be met by other JTPA programs or other State and local programs; and

(b) A substantial number of individuals concentrated in a labor market area or industry is affected.

§ 631.23 Application for funding and selection criteria.

To qualify for consideration for funding under this subpart, Governors shall submit applications to the Secretary pursuant to instructions issued by the Secretary on an annual basis specifying application procedures, selection criteria, and approval process.

JOB TRAINING PARTNERSHIP ACT

(d) The Secretary is authorized to reallot any amount of any allotment to a State to the extent that the Secretary determines that the State will not be able to obligate such amount within one year of allotment.

IDENTIFICATION OF DISLOCATED WORKERS

SEC. 302. (a) Each State is authorized to establish procedures to identify substantial groups of eligible individuals who—

(1) have been terminated or laid-off or who have received a notice of termination or lay-off from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation;

(2) have been terminated, or who have received a notice of termination of employment, as a result of any permanent closure of a plant or facility; or

(3) are long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individuals reside, including any older individuals who may have substantial barriers to employment by reason of age.

(b) The State may provide for the use of the private industry councils established under title I of this Act to assist in making the identification established under subsection (a).

REGULATIONS

§ 631.32 Reallotment of funds based on non-utilization.

(a) The Secretary may reallot any amount of any allotment under this part to the extent that it is determined that the Governor will not be able to obligate such amount within one year of allotment (Sec. 301(d)).

(b) When the Secretary determines that a reallotment from a Governor is appropriate, the Governor and the general public shall be given a notice of the proposed action to remove funds. Such notice shall include specific reasons for the actions being taken and shall invite the Governor and the general public to submit comments on the proposed reallotment of funds. These comments shall be submitted to the Secretary within 30 days from the date of the notice. After considering any comments received, the Secretary shall notify the Governor of any decision to reallot funds.

(c) The procedures set out in this section are in lieu of any other procedures which might otherwise be applicable under the Grievances, Investigations and Hearings provisions in Part 629, Subpart D.

(d) The Secretary may reallot funds using:

(1) The formula allocation described at Subpart B of this Part; or

(2) Procedures established in Subpart C of this Part.

§631.31

(b) Governors shall involve appropriate PICs and local elected officials in planning and providing opportunities for review in accordance with Sections 302 and 305 of the Act.

JOB TRAINING PARTNERSHIP ACT

(c)(1) Whenever a group of eligible individuals is identified under subsection (a), the State, with the assistance of the private industry council, shall determine what, if any, job opportunities exist within the local labor market area or outside the labor market area for which such individuals could be retrained.

(2) The State shall determine whether training opportunities for such employment opportunities exist or could be provided within the local labor market area.

(d) Whenever training opportunities pursuant to subsection (c) are identified, information concerning the opportunities shall be made available to the individuals. The acceptance of training for such opportunities shall be deemed to be acceptance of training with the approval of the State within the meaning of any other provision of Federal law relating to unemployment benefits.

AUTHORIZED ACTIVITIES

SEC. 303. (a) Financial assistance provided to States under this title may be used to assist eligible individuals to obtain unsubsidized employment through training and related employment services which may include, but are not limited to—

(1) job search assistance, including job clubs,

(2) job development,

(3) training in jobs skills for which demand exceeds supply,

(4) supportive services, including commuting assistance and financial and personal counseling,

(5) pre-layoff assistance,

(6) relocation assistance, and

(7) programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

(b) Relocation assistance may be provided if the State determines (1) that the individual cannot obtain employment within the individual's commuting area, and (2) that the individual has secured suitable long-duration employment or obtained a bona fide job offer in a relocation area in a State.

REGULATIONS

§ 631.34 Role of Title III training in determining unemployment benefit eligibility.

Whenever training opportunities pursuant to Section 302(c) of the Act are identified, information concerning the opportunities shall be made available to the individuals.

Pursuant to Section 302(d) of the Act, the acceptance of training assisted under Title III shall be deemed to be acceptance of training with the approval of the State within the meaning of any other provision of Federal law relating to unemployment benefits.

Subpart D—Program Design and Management

§ 631.31 Allowable activities, coordination and consultation, planning and review.

(a) Allowable activities are specified in Section 303 of the Act. They shall be coordinated with other programs in accordance with Section 308 of the Act.

JOB TRAINING PARTNERSHIP ACT

MATCHING REQUIREMENT

SEC. 304. (a)(1) In order to qualify for financial assistance under this title, a State shall demonstrate, to the satisfaction of the Secretary, that it will expend for purposes of services assisted under this title, an amount from public or private non-Federal sources equal to the amount made available to that State under section 301(b).

(2) Whenever the average rate of unemployment for a State is higher than the average rate of unemployment for all States, the non-Federal matching funds described in paragraph (1) required to be provided by such State for that fiscal year shall be reduced by 10 percent for each 1 percent, or portion thereof, by which the average rate of unemployment for that State is greater than the average rate of unemployment for all States.

(3) The Secretary shall determine the average rate of unemployment for a State and the average rate of unemployment for all States for each fiscal year on the basis of the most recent twelve-month period prior to that fiscal year.

(b)(1) Such non-Federal matching funds shall include the direct cost of employment or training services under this title provided by State or local programs (such as vocational education), private nonprofit organizations, or private for-profit employers.

(2) Funds expended from a State fund to provide unemployment insurance benefits to an eligible individual for purposes of this title and who is enrolled in a program of training or retraining under this title may be credited for up to 50 percent of the funds required to be expended from non-Federal sources as required by this section.

PROGRAM REVIEW

SEC. 305. Except for programs of assistance operated on a statewide or industry-wide basis, no program of assistance conducted with funds made available under this title may be operated within any service delivery area without a 30-day period for review and recommendation by the private industry council and appropriate chief elected official or officials for such area. The State shall consider the recommendation of such private industry council and chief elected official or officials before granting final approval of such program, and in the event final approval is granted contrary to such recommendation, the State shall provide the reasons therefor in writing to the appropriate private industry council and chief elected official or officials.

CONSULTATION WITH LABOR ORGANIZATIONS

SEC. 306. Any assistance program conducted with funds made available under this title which will provide services to a substantial number of members of a labor organization shall be established only after full consultation with such labor organization.

REGULATIONS

§ 631.14 Matching funds.

To qualify for financial assistance under Title III of the Act, the Governor shall provide matching funds pursuant to Section 304 of the Act as defined at § 629.40 of these regulations.

§ 629.40 Matching funds.

The Governor shall define and assure the provision of adequate resources to meet the matching requirements of Sections 123(b) and 304 of the Act.

§631.31

(b) Governors shall involve appropriate PICs and local elected officials in planning and providing opportunities for review in accordance with Sections 302 and 305 of the Act.

§631.31(a)

Affected labor organizations shall be consulted pursuant to Section 306 of the Act.

JOB TRAINING PARTNERSHIP ACT

LIMITATIONS

SEC. 307. (a) Except as provided in subsection (b), there shall be available for supportive services, wages, allowances, stipends, and costs of administration, not more than 30 percent of the Federal funds available under this title in each State.

(b) The funds to which the limitation described in subsection (a) applies shall not include the funds referred to in section 301(a). In no event shall such limitation apply to more than 50 percent of the total amount of Federal and non-Federal funds available to a program.

STATE PLANS; COORDINATION WITH OTHER PROGRAMS

SEC. 308. Any State which desires to receive financial assistance under this title shall submit to the Secretary a plan for the use of such assistance which shall include appropriate provisions for the coordination of programs conducted with such assistance with low-income weatherization and other energy conservation programs, and social services in accordance with the provisions of section 121.

REGULATIONS

§ 631.13 Limitations on use of funds.

(a) Subject to paragraph (b) of this section no more than 15 percent of the funds allotted pursuant to Section 301(b) of the Act may be used for administrative costs. In addition, the total of administrative costs and participant support costs may not exceed 30 percent (Sec. 307(a)).

(b) These limitations apply to that amount of Federal funds which is equivalent to no more than 50 percent of the total combined amount of Federal and non-Federal funds allotted to the formula funded State programs (Sec. 307(b)).

Subpart D—Program Design and Management

§ 631.31 Allowable activities, coordination and consultation, planning and review.

(a) Allowable activities are specified in Section 303 of the Act. They shall be coordinated with other programs in accordance with Section 308 of the Act. Affected labor organizations shall be consulted pursuant to Section 306 of the Act.

§ 631.33 Reporting requirements.

The reporting requirements in § 629.38 apply to programs operated under this Part, except that the Secretary may establish special requirements for discretionary programs operated under Subpart C of this Part as part of the annual announcement of fund availability and selection criteria.